# Rating Rationale
**16 November 2026**

## Sigma Fabrics Pvt Ltd (Erstwhile HAM Oils Pvt Ltd)

| Facilities / Instrument | Tenure | Amount (₹ crore) | | Rating Assigned & Outlook | | Regulator |
|---|---|---|---|---|---|---|
| | | Previous | Present | Previous (23 Dec 2025) | Present | |
| Fund-Based | Long Term | 19.00 | **18.71** | BWR BBB-/Stable Assignment | BWR BBB- /Negative/ Reaffirmation & Change in outlook | RBI |
| | | 31.00 | **29.58** | BWR BBB-/Stable Assignment | BWR BBB- /Negative/ Reaffirmation & Change in outlook | |
| | | - | **7.86** | - | BWR BBB- /Negative/Assignment | |
| | | 9.00 | **9.00** | BWR BBB-/Stable Assignment | BWR BBB- /Negative/ Reaffirmation & Change in outlook | |
| | | - | **21.00** | - | BWR BBB- /Negative/ Assignment | |
| **Total** | | **59.00** | **86.15** | **(Rupees Eighty Six Crores and Fifteen Lakhs)** | | |

**Note:**
1. Please refer to the BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated**.**

## RATING ACTION/OUTLOOK

Brickwork Ratings has reaffirmed the long-term rating at BWR BBB- for the bank loan facilities aggregating ₹86.15 crore of Sigma Fabrics Pvt Ltd., while revising the outlook from Stable to Negative.

The rating reaffirmation derives strength from experienced promoters, an established track record, and a moderate overall financial risk profile.

These strengths are partially offset by Inherent risk in the textile industry and regulatory risk associated with stringent pollution-control norms.

The revision in outlook from Stable to Negative was primarily driven by the deterioration in the company's financial performance during FY26, marked by the reporting of net losses. The outlook may be revised to Stable if the company demonstrates a sustained recovery in its operating performance and strengthens its financial risk profile over the medium term.

In arriving at the ratings, BWR has relied on the company's financial statements of FY25(A),

FY26(A), financial projections for FY27 and FY28, and additional information and clarifications provided by the management.

## KEY COVENANTS OF THE INSTRUMENT/FACILITY

The terms of sanction include standard covenants normally stipulated for such facilities.

## ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

| Analytical Approach | Comments |
|---|---|
| Applicable Rating Criteria | • General Criteria<br>• Approach to financial ratios<br>• Short term Debt<br>• Manufacturing Company |
| Parent/Group/Government Support | NA |
| Analytical Approach (Consolidation/Standalone) | Standalone approach |

## KEY RATING DRIVERS WITH DETAILED DESCRIPTION

### Credit Strengths:

1. **Experienced promoters and location advantages:** The management team possesses extensive industry experience and is actively involved in overseeing key functions, including operations, production, marketing, and finance. Collectively, the team drives the company's expansion and strategic growth, supported by strong technical and managerial capabilities. Their diversified business background further strengthens the overall group profile.

   Additionally, the directors' strong financial profile provides comfort, with a collective personal net worth of Rs. 122.24 crore as on 31 October 2025, enhancing financial flexibility and support to the company, if required.

2. **Diversified Portfolio**: Under the Makhan Lal Group, Shiva Protein Products Pvt. Ltd., incorporated in 2003, is a well-established and reputed entity with manufacturing units located at Mansa and Tohana. The company has an aggregate installed capacity of 3,300 TPD and is engaged in the manufacture of rice bran oil, de-oiled rice bran cakes, and mustard de-oiled cakes, catering to major brands across Punjab.

   Further, Mr. Makhan Lal, along with his son Mr. Chandan Garg, also serves as a Director in Jagroop Chand Oil Industries Pvt. Ltd., another group entity based in Punjab, thereby reflecting the promoters' long-standing presence and experience in the edible oil and agro-processing industry.

3. **Moderate Financial profile:** With the achievement of DCCO 4 months ahead of schedule, the company reported a Total Operating Income (TOI) of Rs. 63.61 crore in FY26.The TNW of the company stood at Rs. 50.61 Crs with the healthy gearing of 1.15x in FY26. The liquidity position remained adequate, with a current ratio of 2.28x in FY26, providing a sufficient liquidity cushion.

### Credit Risks

4. **Inherent risk in the textile industry**: The company operates in a cyclical and highly competitive textile sector, making it vulnerable to fluctuations in global economic conditions

and demand–supply dynamics. Any adverse changes in government policies, labour availability, or market demand can directly impact operations. Additionally, the company faces competitive pressures from both domestic and international players, further intensifying industry risk.

5. **Regulatory risk associated with stringent pollution-control norms**: Textile processing involves the use of various chemicals in dyeing and printing, resulting in effluents that must be treated before disposal. Consequently, units in this sector are required to comply with stringent pollution-control regulations. Any non-compliance or further tightening of these norms by regulatory authorities may adversely affect the company's operations and lead to additional compliance costs.

## RATING SENSITIVITY FACTORS

Going forward, the company's ability to achieve a sustained improvement in its scale of operations, profitability margins, overall credit risk profile, and efficiently manage its working capital requirements will remain the key rating sensitivities.

**Positive**: The rating may be upgraded if the company demonstrates a sustained improvement in its operational and financial performance, with Net Profit Margins exceeding 1%, Total Operating Income (TOI) exceeding 110.00 crore, accompanied by a significant and sustained increase in the scale of operations, while maintaining a strong financial risk profile and adequate liquidity.

**Negative**: A rating downgrade may be triggered by an inability to sustain the current levels, along with continued net losses.

## LIQUIDITY POSITION - Adequate

The company has an adequate liquidity position, marked by a comfortable current ratio of 2.28x as on 31 March 2026 (audited). The average utilisation of its fund-based working capital limits with Yes Bank & Axis Bank stood at around 78% during the 6-month period ended October 2026, indicating sufficient headroom in working capital availability. Further, the company maintained free cash and bank balances of ₹0.05 crore as on 31 March 2026. In addition to this, the company has also maintained 2.16 Crs of FDR with Punjab & Sind Bank, providing an additional liquidity cushion.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

BWR believes that the ESG profile of Sigma Fabrics Pvt Ltd. supports its overall credit risk profile.

**Environmental**: Key disclosures include water consumption (140–200 L/kg of fabric; managed via a 1,000 KLD ETP with recycling and rainwater harvesting), waste practices (rice-husk biomass boiler fuel and effluent reuse for site irrigation), renewable energy (500 KW rooftop solar, ~20% of 2,500 KW total load), and emissions controls (boiler multi-cyclone APCD and a 9.8-acre green belt offsetting 7.40 tonnes.

**Social**: Governed by workplace safety and labor practices, with a planned workforce of 120 operational personnel (gender mix: Not Disclosed) supported by on-site staff housing and automated machine safety cutoffs/valves.

**Governance**: Focuses on board oversight and compliance, reflected in a closely held board of 3 promoter-directors with 67% female representation and no independent directors

## COMPANY/FIRM PROFILE

| Industry Classification | | | |
|---|---|---|---|
| **Macroeconomic Indicator** | **Sector** | **Industry** | **Basic Industry** |
| **Commodities** | **Chemicals** | **Chemicals & Petrochemicals** | **Dyes And Pigments** |

Sigma Fabrics Pvt. Ltd. (erstwhile HAM Oils Private Ltd.), incorporated on 2 February 2024, is headquartered at Dhuri, Punjab. The company is promoted by Sh. Makhan Lal, Smt. Asha Rani, and Smt. Heena Gupta. Earlier, the company was engaged in the trading of agricultural commodities, including maize, wheat, mustard seeds, and other varieties of seeds.

The company has since diversified into the textile processing segment and has set up a modern fabric dyeing unit with an installed capacity of 40 tonnes per day for coloration of textile forms, including yarn, fabric, and garments. The unit is located at Machhiwara–Kohara Road, Ludhiana, Punjab, and commercial operations commence in Dec 2025.

## KEY FINANCIAL INDICATORS

| Standalone Financial Indicators (in ₹ crore) | FY 24 (A) | FY 25 (A) | FY 26 (A) |
|---|---|---|---|
| **Operating Revenue** | 0.00 | 88.93 | 63.61 |
| **EBITDA** | 0.00 | 3.57 | 0.90 |
| **PAT** | 0.00 | 0.69 | -0.38 |
| **Tangible Net Worth** | 0.00 | 6.69 | 50.61 |
| **Total Debt/ Tangible Net Worth** | 0.00 | 6.75 | 1.15 |
| **Current Ratio** | 0.00 | 1.32 | 2.28 |

A: Audited UA: Unaudited NA: Not Available; P: Provisional *PBILDT: Profit before interest, lease rentals, depreciation and tax.
Note: These are the latest available financial results All ratios as per BWR's calculations; Amount in ₹ crore.

## RATING HISTORY FOR THE PREVIOUS THREE YEARS

| | Current Rating (2026) | | | Rating History | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | FY 25 | | FY 24 | | FY 23 | |
| Instrument | Tenor | Amount (₹. Crore) | Rating | Date | Rating | Date | Rating | Date | Rating |
| Term Loan-Outstanding | LT | 48.29 | BWR BBB-/Negative/ Reaffirmation & Change in Outlook | 23 Dec 2025 | BWR BBB-/Stable Assignment | NA | NA | NA | NA |
| Term Loan-Outstanding | LT | 6.07 | BWR BBB-/Negative/Assignment | NA | NA | NA | NA | NA | NA |
| ECLGS - Sanctioned | LT | 1.79 | BWR BBB-/Negative/ Reaffirmation & Change in Outlook | NA | NA | NA | NA | NA | NA |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Cash Credit - Sanctioned | LT | 9.00 | BWR BBB-/Negative/ Reaffirmation & Change in Outlook | 23 Dec 2025 | BWR BBB-/Stable Assignment | NA | NA | NA | NA |
| Cash Credit - Sanctioned | LT | 21.00 | BWR BBB-/Negative Assignment | NA | NA | NA | NA | NA | NA |
| **Total** | | **86.15** | **(Rupees Eighty Six Crores and Fifteen Lakhs)** | | | | | | |

## COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

| Instrument | Complexity Indicator |
|---|---|
| Fund Based | Simple |
| Non-Fund Based | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

## NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY):

NA

## ANY OTHER INFORMATION: None


| Contacts | |
|---|---|
| **Analyst Team Contact**<br>*Ravi Rashmi Dhar*<br>*(Director - Ratings)*<br>*ravi.d@brickworkratings.com*<br><br>*Mukul Singh Sahu*<br>*(Junior Rating Analyst)*<br>*mukulsingh.s@brickworkratings.com* | **Relationship Contact**<br>*Abhinandan Sharda*<br>*Director- BD*<br>*abhinandan.s@brickworkratings.com*<br><br>**Client Support**<br>*clientsupport@brickworkratings.com* |


## Annexure I: Details of Bank Loan Facilities

*(Amount in Rupees Crore)*

| S.No | Type | Facilities | Tenor | Bank | Total | Regulator |
|---|---|---|---|---|---|---|
| 1 | FB | Term Loan -Outstanding | Long term | Punjab & Sind Bank | 18.71 | RBI |
| 2 | FB | Term Loan -Outstanding | Long term | | 29.58 | RBI |
| 3 | FB | Term Loan -Outstanding | Long term | | 6.07 | RBI |
| 4 | FB | ECLGS - Sanctioned | Long term | | 1.79 | RBI |
| 5 | FB | Cash Credit - Sanctioned | Long term | | 9.00 | RBI |
| 6 | FB | Cash Credit - Sanctioned | Long term | HDFC Bank | 21.00 | RBI |
| | **Total** | | | | **86.15** | |

## ANNEXURE II: Details of Instruments/Facilities

| Name of the Instrument / Facility | Long Term/Short Term | ISIN | Date of Issuance (DD-MMYYYY) | Coupon Rate (%) | Maturity Date (DDMM-YYYY) | Size of the Issue (₹ cr) | Rating Assigned and Rating Outlook | Regulator |
|---|---|---|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

## ANNEXURE III: List of Entities Consolidated

| Name of Entity | % ownership | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| Nil | Nil | Nil | Nil |

## Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

| No. | Instrument/Activity Name | Regulator of the Instruments |
|---|---|---|
| 1 | Listed/Proposed to be listed bonds/debentures/preference share (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $ | RBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)* | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)* | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^ | RBI |
| 9 | External Commercial Borrowings and other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Borrowing programme ~ | - |
| 15 | Issuer Ratings # | - |
| 16 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 17 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18 | Listed Security Receipts $ | RBI |
| 19 | Unlisted Security Receipts | RBI |
| 20 | Independent Credit Evaluation (ICE) | RBI |
| 21 | Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference shares (all securities)) | SEBI |
| 22 | Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)) | MCA |
| 23 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) * | Investor-side regulator such |

| | | |
|---|---|---|
| | | as IRDAI, PFRDA @ |

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during the regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and the investor-side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

## Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com.** Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact **grievance@brickworkratings.com**

## Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

## About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of bank loans, non-convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit-enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

## Disclaimer

**Nature of Ratings & Information:** BWR ratings are opinions on the relative ability of an entity/instrument to meet its financial obligations and are based on information obtained from issuers and other sources believed to be reliable. BWR does not conduct audits, due diligence, or independent verification of such information and does not guarantee its accuracy, adequacy, or completeness. Ratings are current only as of the date of publication and may be revised based on new or unavailable information.

**No Advice or Recommendation:** Ratings, reports, and related communications are not investment advice and do not constitute recommendations to buy, sell, or hold securities, or to sanction, renew, or disburse credit facilities. They do not represent offers or solicitations for any transaction. Users must rely on their own independent judgment and professional advice. Access to or use of these materials does not create any client relationship with BWR.

**Liability, Usage & Regulatory Framework:** This content is published for the purpose of dissemination of information as required under applicable laws and regulations. BWR holds exclusive copyright over the content. It may be used with appropriate credit to BWR, provided that the content is not altered or modified in any way that could change its meaning or intent. BWR retains the exclusive right to distribute or share its rating rationales, directly or indirectly, through any print, digital, or electronic media. All reports are provided on an "as is" basis without warranties of any kind, express or implied, including but not limited to merchantability, fitness for a particular purpose, or non-infringement. BWR and its affiliates shall not be liable for any direct, indirect, incidental, or consequential losses or damages arising from the use of these reports. Ratings are subject to continuous surveillance and may be revised, suspended, or withdrawn at any time without notice. These reports are intended for use within India only. BWR operates under SEBI Regulations and Code of Conduct.

For more information on policies and ratings, please visit our website **www.brickworkratings.com**