

Press Release

Shanker Coils Private Limited

August 06, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 9.20 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

Refer Annexure for details`

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed and downgraded the long term rating to '**ACUITE B+** (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and downgraded the short term rating to '**ACUITE A4**'(read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.9.20 crore bank facilities of Shanker Coils Private Limited(SCPL). The downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

SCPL, established in 1989, is a Kolkata-based company engaged in the manufacture of armature and stator coils used in the heavy engineering industry. The company also undertakes rendering, repairing and rebuilding services for the Indian Railways, Tata Steel, ONGC, SAIL among others. The company's manufacturing facilities are located at Budge Budge, West Bengal and the overall operations are managed by the Directors, Mr. Nikunj Bagaria and Nirmal Kumar Bagaria.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of SCPL arrive at this rating.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios and Adjustments -<https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing entities -<https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-May-2019	Cash Credit	Long Term	2.50	ACUITE BB- (Upgraded from ACUITE B+)
	Term Loan	Long Term	0.45	ACUITE BB- (Upgraded from ACUITE B+)
	Proposed Long Term Loan	Long Term	0.75	ACUITE BB- (Upgraded from ACUITE B+)
	Bank Guarantee	Short Term	3.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Letter of Credit	Short Term	2.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Packing Credit	Short Term	0.50	ACUITE A4+ (Upgraded from ACUITE A4)
09-May-2019	Cash Credit	Long Term	2.50	ACUITE B+ (Issuer not cooperating)*
	Term Loan	Long Term	0.45	ACUITE B+ (Issuer not cooperating)*
	Proposed Bank Facility	Long Term	2.25	ACUITE B+ / Stable (Issuer not cooperating)*
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Issuer not cooperating)*
	Letter of Credit	Short Term	2.00	ACUITE A4 (Issuer not cooperating)*
12-Mar-2018	Cash Credit	Long Term	2.50	ACUITE B+ / Stable (Reaffirmed)
	Term Loan	Long Term	0.45	ACUITE B+ / Stable (Reaffirmed)
	Proposed Working capital demand loan	Long Term	2.25	ACUITE B+ / Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)

16-Nov-2016	Cash Credit	Long Term	2.50	ACUITE B+ / Stable (Reaffirmed)
	Term Loan	Long Term	0.45	ACUITE B+ / Stable (Reaffirmed)
	Proposed Working capital demand loan	Long Term	2.25	ACUITE B+ / Stable (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.45	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Packing Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then,

it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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