

Press Release

Shah Paperplast Industries Limited

November 30, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2.25	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	6.75	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	9.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

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

Acuite has downgraded its **long term rating to 'ACUITE D (read as ACUITE D)' from 'ACUITE B' (read as ACUITE B) and the short term rating to 'ACUITE D (read as ACUITE D)' from 'ACUITE A4' (read as ACUITE A Four)** on the Rs.9.00 crore bank facilities of Shah Paperplast industries limited. The rating continues to be flagged as "Issue NotCooperating". The downgrade is on the basis of publicly available information that the company has delayed in servicing of its debt obligation.

About the Company

The Gujarat based Shah Paperplast Industries Limited was incorporated in 2008. Engaged in manufacturing Plastic and Paper products. The manufacturing facility is in Nadiad, Gujarat. The company is promoted and managed by Mr. Nilesh Shah, Mr. C.C.Shah and Mrs Sheetal Shah. Shah Paperplast Industries Limited exports the Plastic products to USA and Paper products to USA and UK.

Non-cooperation by the issuer/borrower:

Acuite 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 due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be flagged as "Issuer notcooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based

Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Crisil vide its press release dated Nov 28, 2022 had downgraded the rating of Shah Paperplast industries Limited as 'CRISIL D'.

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Dec 2021	Letter of Credit	Short Term	0.75	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	2.25	ACUITE B (Issuer not co-operating*)
	Packing Credit	Short Term	6.00	ACUITE A4 (Issuer not co-operating*)
08 Sep 2020	Term Loan	Long Term	2.25	ACUITE B (Issuer not co-operating*)
	Packing Credit	Short Term	6.00	ACUITE A4 (Issuer not co-operating*)

	Letter of Credit	Short Term	0.75	ACUITE A4 (Issuer not co-operating*)
14 Jun 2019	Term Loan	Long Term	2.25	ACUITE B (Issuer not co-operating*)
	Letter of Credit	Short Term	0.75	ACUITE A4 (Issuer not co-operating*)
	Packing Credit	Short Term	6.00	ACUITE A4 (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.75	ACUITE D Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE D Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.25	ACUITE D Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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