

Press Release
Shah Paperplast Industries Limited
February 26, 2024



Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuite has reaffirmed its **long term rating of 'ACUITE D (read as ACUITE D)'** and the **short term rating to 'ACUITE D (read as ACUITE D)'** on the Rs.9.00 crore bank facilities of Shah Paperplast industries limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

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.

Unsupported Rating

Not Applicable.

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 the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 22 (Actual) | FY 21 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 22.68 | 15.29 |
| PAT | Rs. Cr. | 0.30 | (0.29) |
| PAT Margin | (%) | 1.33 | (1.90) |
| Total Debt/Tangible Net Worth | Times | 1.88 | 1.86 |
| PBDIT/Interest | Times | 2.12 | 1.39 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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 |
|-------------|--------------------------------|------------|-----------------|--|
| 30 Nov 2022 | Letter of Credit | Short Term | 0.75 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Packing Credit | Short Term | 6.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 2.25 | ACUITE D (Downgraded and Issuer not co-operating*) |
| 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*) |

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 avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.75 | ACUITE D Reaffirmed Issuer not co-operating* |
| Bank of Baroda | Not avl. / Not appl. | PC/PCFC | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 6.00 | ACUITE D Reaffirmed Issuer not co-operating* |
| Bank of Baroda | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 2.25 | ACUITE D Reaffirmed Issuer not co-operating* |

Contacts

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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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