



Press Release

PAL SHELLCAST PRIVATE LIMITED

June 07, 2023

Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	3.56	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	15.50	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	19.06	-	-

Rating Rationale

Acuite has Downgraded and Withdrawn the long term rating to '**ACUITE BB+**' (Read as **ACUITE double B plus**) from '**ACUITE BBB**' (Read as **ACUITE triple B**) and short term rating to '**ACUITE A4+**' (Read As **ACUITE A four plus**) from '**ACUITE A3+**' (Read As **ACUITE A three plus**) on the Rs 19.06 crore bank facilities of Pal Shellcast Private Limited. The rating is being withdrawn on account of request received from the company and NOC received from the banker. The rating is an indicative rating. The downgrade is on account of information risk.

About the Company

Pal Shellcast Private Limited (PSPL), incorporated in 1981 is an Ahmedabad based company. Mr. Hardevsingh Gurubaxsingh Dhingra is the promoter of the company. It is engaged in the manufacturing of cylinder liners, blocks and sleeves. The components manufactured by the company are majorly used in tractors and other vehicles. The company derives around 84% of revenue from the sale of cylinder liner and remaining from sale of blocks and sleeves. The company has 6 manufacturing units, located at GIDC, Odhav and Changodhar with an aggregate installed capacity of 40,928 tons.

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 noncooperation 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). Acuité endeavored 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.

Rating Sensitivities

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook: Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	213.23	174.72
PAT	Rs. Cr.	2.72	2.81
PAT Margin	(%)	1.28	1.61
Total Debt/Tangible Net Worth	Times	1.23	1.13
PBDIT/Interest	Times	7.12	8.09

Status of non-cooperation with previous CRA

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.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
17 Oct 2022	Term Loan	Long Term	3.56	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee	Short Term	3.50	ACUITE A3+ (Reaffirmed)
	Packing Credit	Short Term	12.00	ACUITE A3+ (Reaffirmed)
13 Aug 2021	Bank Guarantee	Short Term	3.50	ACUITE A3+ (Reaffirmed)
	Packing Credit	Short Term	11.00	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	4.56	ACUITE BBB Stable (Reaffirmed)
06 Aug 2021	Term Loan	Long Term	3.29	ACUITE BBB Stable (Reaffirmed)
	Packing Credit	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	1.17	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.25	ACUITE A3+ (Reaffirmed)
09 Oct 2020	Term Loan	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	2.46	ACUITE BBB Stable (Reaffirmed)
	Packing Credit	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee	Short Term	2.25	ACUITE A3+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Central Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	3.50	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Central Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.56	ACUITE BB+ Downgraded & Withdrawn 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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