

Press Release
Shah Brothers Ispat Private Limited

December 18, 2020



Rating Update

Total Bank Facilities Rated#	Rs.395.00 Cr.
Long Term Rating	ACUITE B- (Downgraded from ACUITE BB+/Negative) 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

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE B-**' (**read as ACUITE B minus**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) and the short term rating to '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.395.00 crore bank facilities of Shah Brothers Ispat Private Limited. This rating is now an indicative rating and is based on the best available information and is downgraded on account of information risk.

Shah Brothers Ispat Private Limited (SBIPL) was established in 1958 as a partnership firm by Mr. Chinubhai Shah and Mr. Pravin Mehta and converted to private limited in 2004. The company is engaged in the trading of iron and steel products (boiler quality steel plates, vessel steel plates, HR Coils, Mild Steel Plates among others) that are supplied to industrial boiler manufacturing companies across the country. The company is currently headed by Mr. Rajesh Shah and Mr. Sanjiv Mehta. SBIPL accredited ISO 9001:2000 has stock-yard facility spread across 30,000 sq. meters with overhead cranes of 35 MT load capacity at Taloja. It has five other warehouses at Hyderabad, Ahmedabad, Trichy, Bangalore and Chennai.

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>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.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 requests.

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
01-Feb-2019	Cash Credit	Long term	16.50	ACUITE BB+/Negative (Downgraded)
	Cash Credit	Long term	7.70	ACUITE BB+/Negative (Downgraded)
	Cash Credit	Long term	4.50	ACUITE BB+/Negative (Downgraded)
	Cash Credit	Long term	4.50	ACUITE BB+/Negative (Downgraded)
	Bank Guarantee	Short term	12.50	ACUITE A4+ (Downgraded)
	Letter of Credit	Short term	168.50	ACUITE A4+ (Downgraded)
	Bank Guarantee	Short term	3.74	ACUITE A4+ (Downgraded)
	Letter of Credit	Short term	82.26	ACUITE A4+ (Downgraded)
	Bank Guarantee	Short term	3.25	ACUITE A4+ (Downgraded)
	Letter of Credit	Short term	43.75	ACUITE A4+ (Downgraded)
	Bank Guarantee	Short term	3.25	ACUITE A4+ (Downgraded)
	Letter of Credit	Short term	43.75	ACUITE A4+ (Downgraded)
	Proposed Letter of Credit	Short Term	0.80	ACUITE A4+ (Downgraded)
07-Nov-17	Cash Credit	Long term	16.50	ACUITE BBB/Stable (Assigned)
	Cash Credit	Long term	7.70	ACUITE BBB/Stable (Assigned)
	Cash Credit	Long term	4.50	ACUITE BBB/Stable (Assigned)
	Cash Credit	Long term	4.50	ACUITE BBB/Stable (Assigned)
	Bank Guarantee	Short term	12.50	ACUITE A3+ (Assigned)
	Letter of Credit	Short term	168.50	ACUITE A3+ (Assigned)
	Bank Guarantee	Short term	3.74	ACUITE A3+ (Assigned)
	Letter of Credit	Short term	82.26	ACUITE A3+ (Assigned)
	Bank Guarantee	Short term	3.25	ACUITE A3+ (Assigned)
	Letter of Credit	Short term	43.75	ACUITE A3+ (Assigned)
	Bank Guarantee	Short term	3.25	ACUITE A3+ (Assigned)
	Letter of Credit	Short term	43.75	ACUITE A3+ (Assigned)
	Proposed Letter of Credit	Short Term	0.80	ACUITE A3+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.50	ACUITE B- (Downgraded from ACUITE BB+/Negative) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.70	ACUITE B- (Downgraded from ACUITE BB+/Negative) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B- (Downgraded from ACUITE BB+/Negative) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B- (Downgraded from ACUITE BB+/Negative) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	168.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.74	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	82.26	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.25	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	43.75	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.25	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	43.75	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.80	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 Acuité Ratings & Research:

Acuité 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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