

Press Release

Shah Brothers Ispat Private Limited

March 17, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 33.20 | ACUITE B- Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 361.80 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 395.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Refer Annexure for details

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

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B-**' (read as **ACUITE B minus**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 395.00 crore bank facilities of Shah Brothers Ispat Private Limited (SBIPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

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:

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 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 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 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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Indicators

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

Outlook

Not Applicable

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

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---|
| 18 Dec 2020 | Bank Guarantee | Short Term | 3.25 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 3.25 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 4.50 | ACUITE B- (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 7.70 | ACUITE B- (Downgraded and Issuer not co-operating*) |
| | Proposed Letter of Credit | Short Term | 0.80 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 4.50 | ACUITE B- (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 82.26 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 43.75 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 16.50 | ACUITE B- (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 168.50 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 43.75 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 12.50 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 3.74 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | | | | |
| 01 Feb 2019 | Bank Guarantee | Short Term | 3.25 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Bank Guarantee | Short Term | 3.74 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Letter of Credit | Short Term | 82.26 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Bank Guarantee | Short Term | 3.25 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Cash Credit | Long Term | 16.50 | ACUITE BB+ Negative (Downgraded from ACUITE BBB Stable) |
| | Cash Credit | Long Term | 4.50 | ACUITE BB+ Negative (Downgraded from ACUITE BBB Stable) |
| | Bank Guarantee | Short Term | 12.50 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Letter of Credit | Short Term | 43.75 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Letter of Credit | Short Term | 168.50 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Proposed Letter of Credit | Short Term | 0.80 | ACUITE A4+ (Downgraded from ACUITE A3+) |
| | Cash Credit | Long Term | 4.50 | ACUITE BB+ Negative (Downgraded from ACUITE BBB Stable) |
| | Cash Credit | Long Term | 7.70 | ACUITE BB+ Negative (Downgraded from ACUITE BBB Stable) |
| | Letter of Credit | Short Term | 43.75 | ACUITE A4+ (Downgraded from ACUITE A3+) |
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|----------------|---------------------------|------------|--------|--------------------------------|
| 07 Nov 2017 | Cash Credit | 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

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|-----------------------|----------------|------------------------------------|------------------|----------------|----------------|-------------------|--|
| Central Bank of India | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | 12.50 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Union Bank of India | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | 3.74 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | 3.25 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 3.25 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Union Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 7.70 | ACUITE B- Reaffirmed Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.50 | ACUITE B- Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.50 | ACUITE B- Reaffirmed Issuer not co-operating* |
| Central Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 16.50 | ACUITE B- Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 43.75 | ACUITE A4 Reaffirmed Issuer not co- |

| | | | | | | | |
|-----------------------|----------------|---------------------------|----------------|----------------|----------------|--------|--|
| | | | | | | | operating* |
| Central Bank of India | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 168.50 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 43.75 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Union Bank of India | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 82.26 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 0.80 | ACUITE A4 Reaffirmed Issuer not co-operating* |

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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 8,850 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 Kanjurmarg, Mumbai.

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