



Press Release
Shah Brothers Ispat Private Limited
October 03, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE D' (read as ACUITE D)** and short term rating of '**ACUITE D' (read as ACUITE D)** on the Rs. 395.00 crore bank facilities of Shah brother Ispat private limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Shah Brothers Ispat Private Limited (SBIPL) is a Mumbai based company established in 1958 and promoted by Mr. Rajesh Shah and Mr. Sanjiv Mehta. SBIPL is engaged trading of iron and steel products such as Boiler quality steel plates, vessel steel plates, HR Coils, Mild Steel Plates, Alloy Steel Plates and High Strength Steel Plates. SBIPL is an importer and distributor of boiler quality steel plates in India. The promoters of the firm Mr. Rajesh Shah and Mr. Sanjiv Mehta possess around three decades experience in metal trading industry.

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 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.

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 Sensitivity

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

All Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	183.68	505.48
PAT	Rs. Cr.	(157.09)	(26.37)
PAT Margin	(%)	(85.52)	(5.22)
Total Debt/Tangible Net Worth	Times	(2.30)	1.21
PBDIT/Interest	Times	(8.30)	0.14

Status of non-cooperation with previous CRA

None

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>
- 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, 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
05 Jul 2022	Bank Guarantee	Short Term	3.74	ACUITE D (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	3.25	ACUITE D (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	43.75	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	16.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	0.80	ACUITE D (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	168.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	7.70	ACUITE D (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	3.25	ACUITE D (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	12.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	43.75	ACUITE D (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	82.26	ACUITE D (Downgraded and Issuer not co-operating*)
17 Mar 2022	Cash Credit	Long Term	7.70	ACUITE B- (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.74	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE B- (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	0.80	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.25	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	43.75	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	43.75	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.25	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	12.50	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	168.50	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	16.50	ACUITE B- (Issuer not co-operating*)
	Letter of Credit	Short Term	82.26	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE B- (Issuer not co-operating*)
		Short		ACUITE A4 (Downgraded and Issuer not co-operating*)

18 Dec 2020	Bank Guarantee	Term	3.25	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*)

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 (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	12.50	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	3.74	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	3.25	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	3.25	ACUITE D Reaffirmed Issuer not co-operating*
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	16.50	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.70	ACUITE D Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.50	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.50	ACUITE D Reaffirmed Issuer not co-operating*
Central Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	168.50	ACUITE D Reaffirmed Issuer not co-

								operating*
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	43.75	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	82.26	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	43.75	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.80	ACUITE D Reaffirmed 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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