

Press Release

Shree Ganesh Metaliks Limited

August 10, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 265.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details`

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

ACUITE has downgraded the long term rating to '**ACUITE BB-' (read as ACUITE double B minus)** from '**ACUITE BB' (read as ACUITE double B)** and reaffirmed the short term rating of '**ACUITE A4+' (read as ACUITE A four plus)** on the Rs 265.00 crore bank facilities of Shree Ganesh Metaliks Limited (SGML). This rating is now an indicative rating and is based on the best available information. The rating downgrade is on account of information risk.

Incorporated in 2003, Shree Ganesh Metaliks Limited (SGML) is an Odisha based company engaged in manufacturing of sponge iron and billets with an annual installed capacity of 1,44,000 tonnes and 3,60,000 tonnes respectively. The company also has 32 -MW captive power plant. The company is headed by their director Mr Manoj Kumar Agarwal.

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>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-59.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 together 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 attempts.

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Acuite 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. Crore)	Ratings/Outlook
24-May-2019	Cash Credit	Long Term	35.00	ACUITE BB /Stable (Assigned)
	Term Loans	Long Term	127.31	ACUITE BB /Stable (Assigned)
	Working Capital Term Loan	Long Term	53.34	ACUITE BB /Stable (Assigned)
	Funded Interest Term Loan	Long Term	14.83	ACUITE BB /Stable (Assigned)
	Proposed Long Term Facilities	Long Term	18.02	ACUITE BB /Stable (Assigned)
	Letter of Credit	Short Term	14.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	2.50	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	127.31	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	53.34	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	14.83	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Proposed Long Term Facilities	Not Applicable	Not Applicable	Not Applicable	18.02	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE A4+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.50	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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