



Press Release

SHREE ISHAN EQUIPMENT PRIVATE LIMITED (ERSTWHILE ISHAN EQUIPMENT PRIVATE LIMITED)

July 05, 2024

Downgraded Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|--|---|
| Bank Loan Ratings | 33.64 | ACUITE C Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 0.16 | ACUITE D Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 51.20 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 85.00 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs.0.16 Cr. facilities and downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE B+**' (read as **ACUITE B plus**) on Rs.33.64 Cr. bank facilities and reaffirmed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.51.20 Cr. bank facilities of Shree Ishan Equipment Private Limited (Erstwhile Ishan Equipments Private Limited) (SIEPL). This rating is now being flagged as "Issuer not cooperating" on account of information risk and is based on best available information. The downgrade is on account of feedback received from one of the banker's classifying the account as a special mention account (SMA-0). The company has not provided latest NDS for last 3 months consecutively.

About the Company

SIEPL incorporated in 1996, is engaged in the business of manufacturing various process equipments such as tanks, vessels, heat exchangers, vapour recovery units, water treatment plants amongst others. The company has its registered office and two manufacturing units in Vadodara, Gujarat. The company is promoted by Mr. Jayantilal M. Panchal and the promoters and directors have more than two decades of experience in the said industry.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. 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 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 93.61 | 106.69 |
| PAT | Rs. Cr. | 1.05 | 1.78 |
| PAT Margin | (%) | 1.13 | 1.67 |
| Total Debt/Tangible Net Worth | Times | 2.86 | 3.00 |
| PBDIT/Interest | Times | 1.70 | 1.88 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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 |
|-------------|-----------------------------------|------------|-----------------|-------------------------------|
| 04 May 2023 | Working Capital Term Loan | Long Term | 0.06 | ACUITE B+ Stable (Assigned) |
| | Cash Credit | Long Term | 29.50 | ACUITE B+ Stable (Assigned) |
| | Term Loan | Long Term | 4.08 | ACUITE B+ Stable (Assigned) |
| | Term Loan | Long Term | 0.16 | ACUITE B+ Stable (Assigned) |
| | Bank Guarantee (BLR) | Short Term | 20.50 | ACUITE A4 (Assigned) |
| | Proposed Short Term Bank Facility | Short Term | 30.70 | ACUITE A4 (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|--|----------------------|-----------------------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| The Mehsana Urban Cooperative Bank Ltd | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 20.50 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| The Mehsana Urban Cooperative Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 29.50 | ACUITE C Downgraded Issuer not co-operating* (from ACUITE B+) |
| Not Applicable | Not avl. / Not appl. | Proposed Short Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 30.70 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| UMA CO-OPERATIVE BANK LTD. | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.16 | ACUITE D Downgraded Issuer not co-operating* (from ACUITE B+) |
| Union Bank of India | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 4.08 | ACUITE C Downgraded Issuer not co-operating* (from ACUITE B+) |
| IDFC First Bank Limited | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.06 | ACUITE C Downgraded Issuer not co-operating* (from ACUITE B+) |

Contacts

| Analytical | Rating Desk |
|---|---|
| Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Sanidhya Jain Associate Analyst-Rating Operations Tel: 022-49294065 sanidhya.jain@acuite.in | Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in |

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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