



Press Release

SHILPA ALLOYS PRIVATE LIMITED

June 19, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	22.99	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	0.34	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	23.33	-	-

Rating Rationale

Acuite has downgraded the long-term rating of "ACUITE BBB-" (read as ACUITE Triple B Minus) to "ACUITE BB+" (read as ACUITE Double B Plus) and short term rating "ACUITE A3" (read as ACUITE A Three) to "ACUITE A4+" (read as ACUITE A four Plus) on the Rs.23.33 crore bank facilities of Shilpa Alloys Private Limited (SAPL). This rating is now an indicative rating and is based on best available information.

About the Company

Shilpa Alloys Private Limited (SAPL), incorporated in 1990, is a Jaipur-based company promoted by Mr. Ved Prakash Gupta, Mr. Vaibhav Gupta and Mr. Sushant Gupta. The company commenced commercial operations in October 2009 and is involved in manufacturing of unmachined wear-resistant steel castings. It caters to industries such as cement, minerals, and mining among others with manufacturing facilities located at Jaipur. The company currently has an installed capacity of 13545 MTPA.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statement and Critical information required for rating review from the rated entity. However, the issuer / borrower failed to submit such information before due date. Acuite 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 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, Acuite 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

Key Financials:

The rated entity has not shared the latest financial statements for Acuite to comment

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
30 Mar 2022	Term Loan	Long Term	0.38	ACUITE BBB- Positive (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB- Positive (Reaffirmed)
	Term Loan	Long Term	0.24	ACUITE BBB- Positive (Reaffirmed)
	Term Loan	Long Term	1.88	ACUITE BBB- Positive (Assigned)
	Term Loan	Long Term	1.36	ACUITE BBB- Positive (Reaffirmed)
	Term Loan	Long Term	1.13	ACUITE BBB- Positive (Assigned)
	Term Loan	Long Term	5.00	ACUITE BBB- Positive (Assigned)
	Proposed Bank Facility	Short Term	0.34	ACUITE A3 (Reaffirmed)
31 Dec 2020	Term Loan	Long Term	3.50	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	0.28	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Standby Line of Credit	Short Term	0.90	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Withdrawn)
	Proposed Bank Facility	Long Term	2.19	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	0.83	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	13.00	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.34	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.88	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.13	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.24	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.38	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.36	ACUITE BB+ Downgraded 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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