



Press Release

Shree Shakambari Ferro Alloys Private Limited

October 30, 2024

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	37.76	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook Issuer Not Cooperating)	IVR BB/ Negative ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook Issuer Not Cooperating)	Downgraded and continues in Issuer Not Cooperating category	Simple
Total	37.76 (INR Thirty- seven crore and Seventy- six lakh only)				

**Issuer not cooperating; Based on best available information*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The downgrade of the long-term rating is because of lack of adequate information regarding Shree Shakambari Ferro Alloys Private Limited's (SSFAPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The long-term rating outlook has continued to remain Negative due to information availability risk.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide E-mail communications dated July 11, 2024, July 25, 2024, August 6, 2024, October 9, 2024, October 14, 2024, October 15, 2024 and October 17, 2024, and concurrently over several phone calls. However, despite repeated



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requests by Infomerics, the company's management has not submitted the surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term rating for the bank loan facilities of SSFAPL aggregating to Rs. 37.76 crore shall remain in the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as IVR BB-/ Negative ISSUER NOT COOPERATING; based on best available information (IVR Double B Minus with Negative Outlook Issuer Not Cooperating; based on best available information) of SSFAPL. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

About the Company

Shree Shakambari Ferro Alloys Private Limited (SSFAPL) was incorporated in 2005 by Mr. Kailash Kayal. The company is engaged in the manufacturing of ferro silicon, having an installed capacity of 8820 MPTA. It possesses its own coal mines to run the 10MW thermal based Power Plant, installed in a remote area surrounded by hills in West Khasi Hills region of Meghalaya in Riwiang Valley. SSFAPL enjoys the easy accessibility of basic raw material in the adjacent area containing high quality of silica i.e., 90.8%. The company manufactures slim ferro silicon, which is cost effective to the buyer as it melts easily as compared to the



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other ferro silicon thereby decreasing the melting cost for the buyer. Having a captive power plant and the continuous supply of coal in the Meghalaya region, uninterrupted production has been maintained, catering to both the domestic as well as international markets.

Financials (Standalone):

(Rs. crore)

For the year ended* / INR. Crore	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	59.15	123.79
EBITDA	13.80	21.33
PAT	1.95	10.21
Total Debt	59.69	47.46
Tangible Net Worth	39.21	49.42
EBITDA Margin (%)	23.34	17.23
PAT Margin (%)	3.29	8.24
Overall Gearing Ratio (x)	1.52	0.96
Interest Coverage (x)	2.07	3.55

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Oct. 06, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Sept. 07, 2022)	Date(s) & Rating(s) assigned in 2021-22 (Feb. 28, 2022)
1.	Term Loan	Long Term	18.30	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB/ Stable
2.	GECL	Long Term	8.72	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB/ Stable
3.	Cash Credit	Long Term	10.74	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB/ Stable

*Issuer did not cooperate; based on best available information

Analytical Contacts:



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
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Term Loan	-	-	-	Oct 2027	18.30	IVR BB-/ Negative ISSUER NOT COOPERATING*
GECL	-	-	-	July 2026	8.72	IVR BB-/ Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	10.74	IVR BB-/ Negative ISSUER NOT COOPERATING*

** Issuer did not cooperate; based on best available information*

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.