



Press Release

Sharu Steels Private Limited

August 07, 2023

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Rating Action	Complexity Indicator
Long Term Bank Facilities	20.79	IVR BB/Negative; ISSUER NOT COOPERATING* [IVR Double B with Negative Outlook; Issuer Not Cooperating*]	Downgraded and migrated to Issuer not cooperating category	Simple
Short Term Bank Facilities	20.00	IVR A4; ISSUER NOT COOPERATING* [IVR IVR A Four Issuer Not Cooperating*]	Downgraded and migrated to Issuer not cooperating category	Simple
Total	40.79			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the bank facilities of Sharu Steels Private Limited reflects lack of adequate information available about the performance of the company/entity and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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 entity, despite the downgrade.

Non-Cooperation by Issuer:



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Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated June 23th, 2023, July 4th, 2023, July 5th, 2023, July 7th, 2023, July 10th, 2023, July 11th, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted all the essential details/information for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the long-term and short-term bank loan facilities of Sharu Steels Private Limited, aggregating to Rs 40.79 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/Negative; ISSUER NOT COOPERATING and IVR A4; ISSUER NOT COOPERATING* (IVR BB with negative outlook; ISSUER NOT COOPERATING and IVR A Four; ISSUER NOT COOPERATING*).

**Issuer Not Co-operating; based on best available information*

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

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

[Criteria for assigning rating outlook](#)

About the Company

Incorporated in the year 1987, Sharu Steels Private Limited (SSPL) was formerly known as Amita Spinners Pvt Ltd, subsequently the name was changed to Sharu Steels Pvt Ltd on March 17, 1987. It is engaged in the manufacturing of steel ingots and round bars. The manufacturing facility of the company is located at Ludhiana, Punjab. The company has an induction furnace and a rolling mill with a capacity of 30600 TPA as on March 31, 2022. The company is promoted by experienced personnel who carry rich experience of over three 4 decades in the line of business.

Financials (Standalone):

(INR. Crore)

For the year ended / As on	31-03-2021	31-03-2022
	(Audited)	(Provisional)
Total Operating Income	160.88	221.29
EBITDA	7.01	6.95
PAT	1.55	2.19



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Total Debt	32.00	37.81
Tangible Net worth	18.49	21.21
EBIDTA Margin (%)	4.36	3.14
PAT Margin (%)	0.96	0.99
Overall Gearing Ratio (x)	1.73	1.78

Status of non-cooperation with previous CRA:

Brickwork Ratings vide its press release dated January 11, 2023 has classified the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

ICRA vide its press release dated May 25, 2023 has classified the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years			
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (June 10, 2022)	Date(s) & Rating(s) assigned in 2021-22 (May 25, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-2020
1.	Long Term Bank Facilities	Long Term	20.79	IVR BB/Negative; ISSUER NOT COOPERATING	IVR BB+ / Positive	IVR BB+ / Stable	--	--
2.	Short Term Bank Facilities	Short Term	20.00	IVR A4; ISSUER NOT COOPERATING	IVR A4+	IVR A4+	--	--

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



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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information 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.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities	--	--	--	20.79	IVR BB/Negative; ISSUER NOT COOPERATING* [IVR Double B with Negative Outlook; Issuer Not Cooperating*]
Short Term Bank Facilities	--	--	--	20.00	IVR A4; ISSUER NOT COOPERATING* [IVR A Four; Issuer Not Cooperating*]

* Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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.