

Shirpur Gold Refinery Limited

July 20, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	37.50	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	328.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Detailed Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated July 18, 2022, placed the ratings of Shirpur Gold Refinery Limited (SGRL) under the 'issuer non-cooperating' category as SGRL had failed to provide information for monitoring of the rating exercise and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SGRL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated July 04, 2023, July 06, 2023, and July 07, 2023. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair Rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Analytical approach: Consolidated

CARE has considered the consolidated financials of SGRL for analytical purposes owing to financial and operational linkages between the company and its subsidiaries. The consolidated financials include the financials of two wholly owned subsidiaries namely Shirpur Gold Company Pvt. Ltd., Singapore and Zee Gold DMCC, Dubai.

Detailed description of the key rating drivers:

At the time of last rating on July 18, 2022, the following were the rating strengths and weaknesses (updated for the information available from stock exchange):

Key weaknesses

Ongoing delays/default in debt servicing:

As per the Audit Report of FY23 there are Defaults. The audit reports mention that 3 Lender banks and a financial institution have outstanding dues classified as non-performing assets, amounting to Rs.380.96 Crore including amount of bank guarantees invoked, interest and penal interest of Rs.96.92 Crore as per the records of the Company, classified as non-performing assets. The dues are after adjustment of fixed deposits of Rs.14.60 Crore, including interest thereon, kept as margin against bank guarantees with Axis Bank Ltd., due to defaults in the repayment and non-compliance of the terms and conditions.

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Metals & Mining	Non - Ferrous Metals	Precious Metals

Shirpur Gold Refinery Limited (SGRL) is a part of Essel Group since December 2008, post takeover of assets from ARCIL auction. The company is engaged in gold refining with an installed capacity to refine 217 MT per annum of gold. Its refinery is located at Shirpur, Dhule district, Maharashtra. The company is also engaged in bullion trading, manufacturing and sale of gold coins, gold bars and gold jewelry both in the domestic and international markets. The company's products namely Gold Bars and Gold Jewelry are sold under the brand name 'Zee Gold'. As on March 31, 2019, SGRL has one wholly owned subsidiary namely Zee Gold DMCC (ZGD), Dubai and two step down foreign subsidiaries namely Precious Metals Mining and Refining Limited (PMMRL), Papua New Guinea and Metalli Exploration and Mining, Mali. Shirpur Gold Company Private Limited (SGM), Singapore ceased to exist with effect from March 07, 2019 and loss (Rs.1.96 crore); being investment value in such subsidiary has been written off.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	4371.05	5269.52	5357.41
PBILDT	-203.31	-29.59	16.55
PAT	-245.69	-96.17	32.60
Overall gearing (times)	-5.92	-3.07	-2.82
Interest coverage (times)	-4.39	-0.66	0.33

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of SGRL under Issuer Not Cooperating category vide press release dated March 31, 2023, on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	37.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	-	328.00	CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	37.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D; ISSUER NOT COOPERATING* (23-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)
2	Non-fund-based - ST-BG/LC	ST	328.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Jul-22)	1)CARE D; ISSUER NOT COOPERATING* (23-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)

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

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities - Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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