

Sharp Chucks and Machines Limited
[Formerly known as Sharp Chucks and Machines Private Limited]

January 11, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	6.53	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable
Long Term / Short Term Bank Facilities	26.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable / CARE A4
Short Term Bank Facilities	1.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated August 16, 2023, placed the rating(s) of Sharp Chucks and Machines Limited (SCML) under the 'issuer non-cooperating' category as SCML had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SCML continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 10, 2024.

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).

The ratings have been revised on account of non-availability of requisite information. The revision also considers delays in debt servicing as recognized from publicly available information.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [August 16, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

About the company

Jalandhar-based, Sharp Chucks and Machines Limited (SCML) [ISIN: INE460Q01014] was incorporated in 1994 by Mr Ajay Sikka, Mr Gopika Sikka and Mrs Suman Bala. SCML is engaged in the manufacturing of lathe chucks, power chucks, drill chucks, machine tool accessories and auto parts which find applications in varied industries (viz. automotive industries, material handling & earth moving equipment industry, sugar plants, cement plants and tractor industry). In 2008, SCML also diversified into casting business.

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

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24 (UA)
Total operating income	152.52	177.06	96.57
PBILDT	17.79	21.45	11.29
PAT	4.54	4.73	2.41
Overall gearing (times)	2.10	1.67	1.66
Interest coverage (times)	2.70	2.51	2.40

A-Audited,UA-Unaudited, Note: 'the above results are latest financial results available'.

Status of non-cooperation with previous CRA: BRICKWORK has continued the ratings assigned to the bank facilities of SCML into 'Issuer not-cooperating' category vide press release dated December 18, 2023 on account of non-availability of 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 the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Please refer Annexure-4

Lender details: Please refer 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-Term Loan		-	-	March, 2023	6.53	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	26.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	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/ ST-CC/Packing Credit	LT/ST [^]	26.00	CARE D / CARE D; ISSUER NOT COOPERATING*	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (16-Aug-23)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (05-Aug-22)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (16-Jun-21)	1)CARE BB+; Stable / CARE A4; ISSUER NOT COOPERATING* (01-Apr-20)
2	Fund-based - LT-Term Loan	LT	6.53	CARE D; ISSUER NOT COOPERATING*	1)CARE BB; Stable; ISSUER NOT COOPERATING* (16-Aug-23)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (05-Aug-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (16-Jun-21)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (01-Apr-20)
3	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (16-Aug-23)	1)CARE A4; ISSUER NOT COOPERATING* (05-Aug-22)	1)CARE A4; ISSUER NOT COOPERATING* (16-Jun-21)	1)CARE A4; ISSUER NOT COOPERATING* (01-Apr-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-Term Loan	Simple
2	Fund-based - LT/ ST-CC/Packing Credit	Simple
3	Non-fund-based - ST-Bank Guarantee	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.

Contact us

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About CARE Ratings:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages our domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments including commercial papers, corporate bonds and debentures, and structured credit.

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