

July 19, 2023

To,
The Manager
Dept. of Corporate Services
BSE Ltd.
25th Floor, P. J. Towers,
Dalal Street,
Mumbai-400001.

Script Code –542862

Sub: Intimation of revision in Credit Rating under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In pursuance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Company has received intimation of revision in credit rating from the Credit Rating Agency i.e. CRISIL Ratings through their email dated 19/07/2023 the details of which are as under:

Rating action: Long-term rating downgraded; short-term rating reaffirmed

Total bank loan facilities rated	Rs 151.5 crore
Long-term rating	CRISIL BB/Stable (downgraded from 'CRISIL BB+/Stable')
Short-term rating	CRISIL A4+ (reaffirmed)

The reasons provided by the Rating agency for downward revision is as under:

The downgrade factors in weak business performance of SSIL may continue to weaken over the medium term. The operating margin dropped to 7.44% in fiscal 2023 from 9.42% in fiscal 2022 due to increase in input price and the limited ability to pass it on to customers; any improvement in the margin will remain a key monitorable. Further, revenue remained stagnant at Rs 308.62 crore in fiscal 2023 (against Rs.313.04 crore in fiscal 2022) due to a slowdown in demand from the global market. The financial risk also remains constrained by high bank limit utilization and lower cushion of cash accruals against repayment obligations.



The ratings continue to reflect the extensive experience of the promoters in the textile industry and above average capital structure of SSIL. These strengths are partially offset by exposure to average debt protection metrics, volatility in raw material prices, large working capital requirement.

We are enclosing herewith copy of rating letter dated 19.07.2023 received from CRISIL Ratings through email.

Kindly take the same on your record.

Thanking you.

Yours faithfully,
For Shahlon Silk Industries Limited

Hitesh Garmora
Company Secretary

CONFIDENTIAL

RL/SLSMLTD/323586/BLR/0723/66023
July 19, 2023



Mr. Jayantilal Shah
Director
Shahlon Silk Industries Limited
303, 3rd Floor, Dawer Chambers,
Near Sub Jail,
Ring Road,
Surat - 395002
9377555543

Dear Mr. Jayantilal Shah,

Re: Review of CRISIL Ratings on the bank facilities of Shahlon Silk Industries Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for the debt instruments/facilities of the company, and the rating actions by CRISIL Ratings on the ratings as on date.

Total Bank Loan Facilities Rated	Rs.151.5 Crore
Long Term Rating	CRISIL BB/Stable (Downgraded from 'CRISIL BB+/Stable')
Short Term Rating	CRISIL A4+ (Reaffirmed)

(Bank-wise details as per Annexure 1)

As per our Rating Agreement, CRISIL Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. CRISIL Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

In the event of the company not availing the proposed facilities within a period of 180 days from the date of this letter, a fresh letter of revalidation from CRISIL Ratings will be necessary.

This letter will remain valid till March 31, 2024. After this date, please insist for a new rating letter (dated later than March 31, 2024).

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Agarwal Nishita

Nilesh Agarwal
Associate Director - CRISIL Ratings

Nivedita

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISIL.ratingsdesk@crisil.com or at 1800-267-1301

Annexure 1 - Bank-wise details of various facility classes (outstanding facilities)

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Bank Guarantee	Bank of Baroda	0.5	CRISIL A4+
2	Cash Credit	The Cosmos Co-Operative Bank Limited	40	CRISIL BB/Stable
3	Cash Credit	Bank of Baroda	25	CRISIL BB/Stable
4	Foreign Exchange Forward	The Cosmos Co-Operative Bank Limited	1	CRISIL A4+
5	Letter of Credit	Bank of Baroda	1	CRISIL A4+
6	Letter of Credit	The Cosmos Co-Operative Bank Limited	5	CRISIL A4+
7	Letter of Credit Bill Discounting	The Cosmos Co-Operative Bank Limited	14	CRISIL A4+
8	Long Term Loan	Bank of Baroda	27	CRISIL BB/Stable
9	Long Term Loan	The Cosmos Co-Operative Bank Limited	33	CRISIL BB/Stable
10	Proposed Fund-Based Bank Limits	--	5	CRISIL BB/Stable
	Total		151.5	

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301