

**July 25, 2024**

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 25/07/2024 the details of which are as under:

**Rating action:** Ratings downgraded to 'CRISIL D'

Total bank loan facilities rated	Rs 151.5 crore
Long-term rating	CRISIL D (Downgraded from 'CRISIL BB-/Stable ISSUER NOT COOPERATING')
Short-term rating	CRISIL D (Downgraded from 'CRISIL A4+ ISSUER NOT COOPERATING')

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

Due to inadequate information and in line with the Securities and Exchange Board of India guidelines, CRISIL Ratings had migrated its ratings on the bank facilities of Shahlon Silk Industries Ltd (SSIL) to 'CRISIL BB-/Stable/CRISIL A4+ Issuer Not Cooperating'. However, the management has subsequently started sharing requisite information for carrying out a comprehensive review of the ratings. Consequently, CRISIL Ratings has downgraded its ratings on the bank facilities of SSIL to 'CRISIL D/CRISIL D'.



The downgrade in ratings factors the continuous over utilisation in the channel financing limit for more than 30 days. The ratings also consider stretched liquidity owing to high bank limit utilisation (97.46% on average during the 12 months through May 2024).

The ratings continue to reflect the exposure to volatility in raw material prices and large working capital requirement. These weaknesses are partially offset by the extensive experience of the promoters in the textile industry.

The Company is not agreeable to the above downgrading done by CRISIL Ratings Limited. The company has conveyed its non-acceptance of rating action to the CRISIL Ratings Limited.

As stated by CRISIL Ratings that “The downgrade in ratings factors the continuous over utilisation in the channel financing limit for more than 30 days.” We totally disagree with the said statement. In this regard, we would like to clarify as under:

- The company is a marketing agent of Reliance Industries Limited (RIL) and the company is having sanctioned Channel finance limit with ICICI Bank of Rs. 500 Lakhs for agency business with Reliance Industries Limited (RIL)
- **The company have never avail/utilise the said Channel finance limit over and above the sanctioned limit at any point of time.** However, as per ICICI Bank sanctioned terms and conditions, the company have to roll over the drawn down amount within the time limit specified from the date of such drawn down under the said facility AND beyond the specified time limit, the company have to pay additional interest on the amount outstanding. On account of slowdown in the textile market, if payment received from customers under agency business to the credit of channel finance account with ICICI Bank is late, then the company have to fund the same from own source as agent of RIL.
- We are regular in servicing our repayment obligation to the Banks and NBFCs.

We enclosed herewith copy of Rating letter received from CRISIL Ratings through their email dated 25.07.2024.



Kindly take the same on your record.

Thanking you.

Yours faithfully,

**For Shahlon Silk Industries Limited**

Hitesh Garmora  
Company Secretary

**Reg. & Corp. off:** Plot no. 5, C.S. Nondh No. 451/A, R.S. No. 33/1 paiki, Nr. Narendra Dyeing Mill, B/h. Old Sub-Jail, Khatodara, Ring Road, Surat-395002, Gujarat .

**Tel. :** +91 261 2635551 – 53  
+91 261 3603200

**CIN :** L17120GJ2008PLC053464  
**E-mail :** info@shahlon.com  
**Web :** [www.shahlon.com](http://www.shahlon.com)

RL/SLSMLTD/348371/BLR/0724/93993  
July 23, 2024

**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.

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.151.5 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL D (Downgraded from 'CRISIL BB-/Stable ISSUER NOT COOPERATING*')</b>
<b>Short Term Rating</b>	<b>CRISIL D (Downgraded from 'CRISIL A4+ ISSUER NOT COOPERATING*')</b>

(Bank-wise details as per Annexure 1)

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

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](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

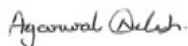
In the event of the company not availing the proposed facilities within a period of 180 days from the date of this letter, a fresh letter of revalidation from CRISIL Ratings will be necessary.

This letter will remain valid till March 31, 2025. After this date, please insist for a new rating letter (dated later than March 31, 2025).

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

With warm regards,

Yours sincerely,



Nilesh Agarwal  
Associate Director - CRISIL Ratings



Nivedita Shibu  
Director - CRISIL Ratings



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**CRISIL Ratings Limited**

A subsidiary of CRISIL Limited, an S&P Global Company  
Corporate Identity Number: U67100MH2019PLC326247

**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 D
2	Cash Credit	Nkgsb Co-Operative Bank Limited	10	CRISIL D
3	Cash Credit	Cosmos Co-Operative Bank	2	CRISIL D
4	Cash Credit	SVC Co-Operative Bank Limited	10	CRISIL D
5	Cash Credit	Bank of Baroda	25	CRISIL D
6	Letter of Credit	Bank of Baroda	1	CRISIL D
7	Letter of Credit Bill Discounting	Cosmos Co-Operative Bank	3	CRISIL D
8	Letter of credit & Bank Guarantee	Cosmos Co-Operative Bank	4	CRISIL D
9	Proposed Working Capital Facility	--	18	CRISIL D
10	Term Loan	Nkgsb Co-Operative Bank Limited	25	CRISIL D
11	Term Loan	SVC Co-Operative Bank Limited	25	CRISIL D
12	Term Loan	Aditya Birla Finance Limited	28	CRISIL D
	<b>Total</b>		<b>151.5</b>	

**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](http://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](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

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