

CARE/ARO/RL/2016-17/1666

Mr. B. R. Patidar  
Director Finance,  
Shakti Pumps (India) Limited  
Plot No. 401, 402 & 413,  
Industrial Area, Sector-III,  
Pithampur, Dist.- Dhar,  
Madhya Pradesh – 454 775

September 30, 2016

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of Shakti Pumps (India) Limited for FY16 (Audited) and Q1FY17 (Un-audited) our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Long term Bank Facilities	84.24	CARE BBB+ (Triple B Plus)	Reaffirmed
Short term Bank Facilities	85.00	CARE A2 (A Two)	Reaffirmed
Long term / Short term Bank Facilities	12.00	CARE BBB+ / CARE A2 (Triple B Plus / A Two)	Reaffirmed
Total Facilities	181.24 (Rupees One Hundred Eighty One Crore and Twenty Four Lakh only)		

2. Refer Annexure 1 for details of rated facilities.
3. The rationale for this rating will be communicated to you separately.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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Page 1 of 4


5. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
6. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

  
Ravi Thakker  
Analyst  
[ravi.thakker@careratings.com](mailto:ravi.thakker@careratings.com)

  
Kunal B. Shah  
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Encl.: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

**Annexure 1**  
**Details of Rated Facilities**

**1. Long-term facilities**

**1.A. Foreign Currency Loan – External Commercial Borrowings (ECB)**

(Rs. Crore)

Sr. No.	Name of Bank	Sanctioned Amount	Rated Amount*	Debt Repayment Terms
1	Standard Chartered Bank (ECB of 3.75 Mn USD)	19.91	4.64	16 equal quarterly installments from April 2013
	<b>Total</b>		<b>4.64</b>	

\*Outstanding as on June 30, 2016; Indian Rupee Equivalent of USD 703125.00 USD

**1.B. Rupee Term Loans**

(Rs. Crore)

Sr. No.	Name of Bank	Sanctioned Amount	Rated Amount*	Debt Repayment Terms
1	State Bank of India	15.00	0.78	85 equal quarterly installments from September 2013
		8.80	3.69	12 equal quarterly installments from September 2014
		5.00	2.38	11 varied installments from October 2015
2	Axis Bank	8.00	4.00	12 equal quarterly installments from July 2014
	<b>Total</b>		<b>10.85</b>	

\*Outstanding as on June 30, 2016.

**1.C. Fund Based Working Capital Limits**

(Rs. Crore)

Sr. No.	Name of Bank	Cash Credit (CC)	Remarks
1	State Bank of India	51.25	Within CC there is sub-limit of Rs.30crore for BD, Rs.45crore of EPC and Rs.45crore of FBD
2	Axis Bank	17.50	Within CC there is sub-limit of Rs.7.50 crore for EPC/PCFC; Rs.7.50 crore for WCDL
	<b>Total</b>	<b>68.75</b>	

BD-Bills discounting; FBP-Foreign bills purchased; FBD-Foreign bills discounted; EPC-Export packing credit; PCFC-Pre shipment credit in foreign currency; WCDL – Working Capital Demand Loan

**Total Long Term Facilities rated (1.A. + 1.B. + 1.C.): Rs.84.24 crore**



## 2. Short Term Facilities

### 2.A Non Fund Based Working Capital Limits

(Rs. Crore)

Sr. No.	Name of Bank	Letter of Credit (LC)	Remarks
1	State Bank of India	25.00	Usance period of upto 120 days
2	Axis Bank	30.00	Usance period of upto 90 days for inland LC and 180 days for foreign LC. LC limit includes sub-limit of Rs.13.00 crore of Bank Guarantee and Rs.2.00 crore of Loan equivalent risk limit
	Total	55.00	

### 2.B. Fund Based / Non Fund based Limits – Pre-Shipment Financing under Export Orders Facility

(Rs. Crore)

Sr. No.	Name of Bank	Facilities	Amount
1	HDFC Bank	EPC/PCFC/FBD/EBD/CC/WCDL	30.00

\*EPC-Export Packing Credit, PCFC-Packing Credit in Foreign Currency, FBD- Foreign Bill Discounting, EBD-Export Bill Discounting, CC- Cash Credit

Total Short Term Facilities rated (2.A. + 2.B): Rs.85.00 crore

## 3. Long Term / Short Term Facilities

### 3.A Non Fund based limits

(Rs. Crore)

Sr. No.	Name of Bank	Bank Guarantee (BG)	Remarks
1	State Bank of India	12.00	Upto 18 months
	Total	12.00	

Total Long Term/Short Term Facilities rated (3.A.): Rs.12.00 crore