

Shivam Plastic Industries Private Limited: Ratings withdrawn

January 03, 2024

Summary of rating action

Instrument	Rated Amount (NPR million)	Rating Action
Fund-based; long-term limits	173.1	Ratings withdrawn
Fund-based; short-term limits	858.4	
Non-fund based; short-term limits	348.5	
Total	1,380.0	

Rating action

ICRA Nepal has withdrawn the long-term rating of [ICRANP] LBB+ 'Issuer Not Cooperating' (pronounced ICRA NP L double B plus Issuer Not Cooperating) and the short-term rating of [ICRANP] A4+ 'Issuer Not Cooperating' (pronounced ICRA NP A four plus Issuer Not Cooperating) assigned to the long-term loans and short-term loan of Shivam Plastic Industries Private Limited (SPIPL or the company). The rating action has been taken in accordance with the Credit Rating Regulations 2011 following the non-cooperation from SPIPL for rating information despite multiple follow-ups. The ratings were kept on notice for withdrawal for a period of six months, during which period also, there was no cooperation from the company for rating surveillance.

Rationale

ICRA Nepal is withdrawing the ratings as it does not have any information to suggest that the credit risk has changed since the time the ratings were last assigned. The key rating drivers, rating sensitivities, key financial indicators have not been captured as the ratings are being withdrawn.

ICRA Nepal assesses whether the information available about the entity commensurate with its ratings and reviews the same as per Credit Rating Regulations 2011 as well as ICRA Nepal's 'Withdrawal/Suspension Policy'. As part of its process and in accordance with its rating agreement with SPIPL, ICRA Nepal had been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA Nepal, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA Nepal, the ratings have been withdrawn.

Link to the previous rating rationales:

[Shivam Plastic Industries Private Limited Fresh Bank Loan Rating, November 2021\)](#)

[Shivam Plastic Industries Private Limited: Moved to 'Issuer not cooperating' category with notice for rating withdrawal](#)

Analytical approach: For arriving at the ratings, ICRA Nepal has applied its rating methodologies as indicated below.

Links to the applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA Nepal's Policy on withdrawal of credit rating](#)

About the company

Established in 2000, Shivam Plastic Industries Private Limited is a manufacturer of polypropylene woven fabric, HDPE woven tarpaulin fabric among others. In FY2021, the products manufactured were sold both in the domestic market as well as exported (mainly to India). It had an annual production capacity of 10,000 metric tonnes per annum (MTPA) in FY2021.

As of mid-July 2021 (as available during last rating), SPIPL was a joint venture of Golyan family (Golyan Group) and Agarwal family, wherein six individuals (friends and family) held the entire stake.

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About ICRA Nepal Limited:

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