

Press Release

Aesthetic Stampings and Laminations Limited

26 July, 2017

Rating Assigned



Total Instruments Rated*	Rs.11.97 crore
Long Term Rating	SMERA BB- / Outlook: Stable
Short Term Rating	SMERA A4+

Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA BB-**' (read as **SMERA BB minus**) and short term rating of '**SMERA A4+**' (read as **SMERA A four plus**) on the Rs. 11.97 crore bank facilities of Aesthetic Stampings And Laminations Limited. The outlook is '**Stable**'.

Aesthetic Stampings & Laminations Limited (ASLL) was incorporated on 18 July, 2006. The company was promoted by Mr. Om Prakash Trivedi, Mr. Kesavan Sugathan and Mr. Harsh Choudhary. The company is engaged in the manufacturing of motor stampings for rotating machines and transformer laminations since 2014. The manufacturing facility is located at Wada and Daman with installed capacity of 1200 MTPA out of which current utilisation is 700 MTPA.

Key Rating Drivers

Strengths

- Experienced track record of operations and experienced management**

ASSL was incorporated in 2006 by Mr. Om Prakash Trivedi, Mr. Kesavan Sugathan, and Mr. Harsh Choudhary. The promoters possess experience of over a decade in the industry.

- Healthy customer relations**

ASLL has a reputed client base and caters to Crompton Greaves, BHEL, Kerala Electrical and Allied Engineering, Kirloskar Sudhir Gensets to name a few.

- Moderate financial risk profile**

ASLL has moderate financial risk profile marked by low gearing of 0.62 times as on 31 March, 2016. The Interest Coverage ratio increased to 1.61 times in FY2015-16 as against 1.45 times in FY2014-15. The DSCR is 1.40 times for FY2015-16 compared to 1.31 times for FY2014-15. The net worth stood at Rs. 12.72 crore as on 31 March, 2016 compared to Rs. 12.40 crore as on 31 March, 2015.

Weaknesses

- Working capital intensive operations**

The operations are working intensive marked by GCA days of 157 in FY2016 and 126 in FY2015. The increase in GCA is dominated by increase in debtor days to 85 days in FY2015-16 from 44 days in FY2014-15.

- **Competitive and fragmented industry**

ASLL is exposed to intense competition from organised as well as unorganised players in the industry.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the company.

Outlook: Stable

SMERA believes that ASLL's outlook will remain stable over the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case the company has a steady and diversified revenue profile with stable operating margins and continues to maintain working capital cycle effectively. Conversely, the outlook may be revised to 'Negative' in case of stretch in working capital cycle or fall in revenue.

About the Rated Entity - Key Financials

The company reported profit after tax (PAT) of Rs. 0.31 crore on net sales of Rs. 58.58 crore in FY2015-16 against PAT of Rs.0.29 crore on net sales of Rs. 52.19 crore in FY2014-15. The net worth stood at Rs. 12.72 crore as on 31 March, 2016 as against Rs. 12.40 crore as on 31 March, 2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure - Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.50	SMERA BB- / Stable
Letter of credit	Not Applicable	Not Applicable	Not Applicable	5.50	SMERA A4+
Term loans	Not Applicable	Not Applicable	Not Applicable	3.75	SMERA BB- / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	0.72	SMERA BB- / Stable
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	SMERA BB- / Stable

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ABOUT SMERA

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