

Press Release

Aster Industries

July 07, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	11.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE B+' (read as ACUITE B plus) from 'ACUITE BB-' (read as ACUITE double B minus) on the Rs.11 crore bank facilities of Aster Industries. This rating is now an indicative rating and is based on the best available information.

About the Company

Aster Industries (AI) was established in 1998 as a partnership by Mr. T. Srinivas Reddy. He is the managing partner of the firm who has about 3 decades of experience in the pharmaceutical industry. AI is engaged in the business of manufacturing of bulk drugs, drug intermediaries and chemical compounds. The firm has 1 manufacturing facility Hyderabad, Telangana and the other in Vishakhapatnam, Andhra Pradesh with a capacity of 30 tonnes each. The company procures raw materials from marketing agencies based in Mumbai and Hyderabad that procures raw materials from China. It has a credit period of about 60-90 days with its customers and suppliers.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Sep 2020	Term Loan	Long Term	7.00	ACUITE BB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	4.00	ACUITE BB- Stable (Reaffirmed)
20 Feb 2019	Term Loan	Long Term	7.00	ACUITE BB- Stable (Assigned)
	Proposed Term Loan	Long Term	7.50	ACUITE BB- (Withdrawn)
	Secured Overdraft	Long Term	4.00	ACUITE BB- Stable (Reaffirmed)
	Letter of Credit	Short Term	0.50	ACUITE A4 (Withdrawn)
12 Dec 2017	Proposed Term Loan	Long Term	7.50	ACUITE BB- Stable (Assigned)
	Secured Overdraft	Long Term	3.00	ACUITE BB- Stable (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	7.00	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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