

Press Release

Associated Insulation Company

March 06, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 8.75 Cr. #
Long Term Rating	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B-)
Short Term Rating	ACUITE D Issuer not co-operating* (Downgraded from ACUITE A4)

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to „**ACUITE D**“ (**read as ACUITE D**) from „**ACUITE B-**“ (**read as ACUITE B minus**) and short term rating to **'ACUITE D' (read as ACUITE D)** from **'ACUITE A4'** (**read as ACUITE A four**) on the Rs. 8.75 crore bank facilities of Associated Insulation Company (AIC). This rating is now an indicative rating and is based on best available information.

The downgrade is in view of delays in servicing the debt obligation as confirmed by the banker.

AIC is a Vadodara (Gujarat) based partnership firm established in 1986. The firm promoted by Mr. M.V. Dhuvad and Mr. C.M. Dhuvad is engaged in undertaking thermal insulation works for power plants, oil refineries, petro chemicals units, fertilizer plants and other manufacturing units. AIC is approved and registered with reputed Indian and overseas consultants, including TOYO Engineering India Limited, Engineers India Limited, TATA Consulting Engineers and Samsung Engineering, among others.

Non-cooperation by the issuer/borrower

Acuité 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 due date.

This rating is therefore being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	5.62	8.40	10.48
EBITDA	Rs. Cr.	1.21	1.27	1.69
PAT	Rs. Cr.	0.17	0.12	0.40
EBITDA Margin	(%)	21.48	15.17	16.07
PAT Margin	(%)	2.97	1.42	3.81
ROCE (%)	(%)	9.96	11.16	33.08

Total Debt/Tangible Net Worth	Times	0.84	1.08	1.46
PBDIT/Interest	Times	1.22	1.17	1.34
Total Debt/PBDIT	Times	4.47	4.61	3.46
Gross Current Assets (Days)	Days	1081	682	485

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

ICRA, vide its release dated September 12, 2016, has suspended the ratings of AIC on account of lack of adequate information required for monitoring of ratings.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
26-Dec-2017	Cash Credit	Long Term	5.50	ACUITE B-/ Stable (Assigned)
	Bank Guarantee	Short Term	3.25	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B-)
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	3.25	ACUITE D Issuer not co-operating* (Downgraded from ACUITE A4)

*The issuer did not co-operate; Based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a

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