

## Press Release

### Sellowrap EPP India Private Limited

January 29, 2020

#### Rating Downgraded & Withdrawn



<b>Total Bank Facilities Rated*</b>	Rs. 20.00 Cr.
<b>Long Term Rating</b>	ACUITE BB+

\* Refer Annexure for details

#### Rating Rationale

Acuite has downgraded and withdrawn the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) to '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 20.00 crore bank facilities of Sellowrap EPP India Private Limited (SEIPL).

The rating is being withdrawn on account of request received from the company and no due certificate received from the banker. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

Further the rating downgrade reflects decline in profitability levels of the company as well as the delays in the execution of the project which the company has undertaken.

Sellowrap EPP India Private Limited (SEIPL) based at Mumbai (Maharashtra) was incorporated in 2005. The company was incorporated in Joint Venture between Sellowrap Industries Private Limited (SIPL) with Mitsui & Co. India Private Ltd (Subsidiary of Japanese based Mitsui & Co.) and Kaneka India Private Limited (Indian subsidiary of Kaneka Corporation). The company is engaged in Manufacturing of expanded PP/PE & PS products like Bumper Core, floor spacer, tool kit, side impact bar, sun visor core, door trim pad, head rest pad, and returnable container among others. The manufacturing unit is located at Bawal (Haryana) with installed capacity of 5, 52,000 kgs per annum.

#### Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the SEIPL to arrive at this rating.

#### About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	46.77	42.09
PAT	Rs. Cr.	2.25	3.74
PAT Margin	(%)	4.82	8.89
Total Debt/Tangible Net Worth	Times	0.02	0.00
PBDIT/Interest	Times	137.44	370.61

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

Not Applicable

#### Any other information

Not Applicable

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Entities in Manufacturing sector- <https://www.acuite.in/view-rating-criteria-4.htm>

#### Note on complexity levels of the rated instrument

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

#### Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Aug-2018	Proposed Long Term Loan	Long term	20.00	ACUITE BBB/Stable (Assigned)
05-Nov-2019	Proposed Long Term Loan	Long term	20.00	ACUITE BBB- Downgraded from ACUITE BBB/Stable; Issuer not co-operating*

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB+ Downgraded & Withdrawn from ACUITE BBB-; Issuer not co-operating*

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**About Acuité Ratings & Research:**

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