

Press Release

Asian Sealing Products Private Limited

April 07, 2023



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|---------------------|--|--|
| Bank Loan Ratings | 17.00 | ACUITE BB- Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 8.00 | - | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 25.00 | - | - |

Rating Rationale

Acuite has reaffirmed its long term rating to '**ACUITE BB-**' (read as **ACUITE double B Minus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A4 plus**) on the Rs.25.00 Cr bank facilities of Asian Sealing Product private Limited. The rating is indicative as 'Issuer Not Cooperating' and based on best available information.

About the Company

Incorporated in 2011, Kancheepuram based ASPPL manufactures industrial gaskets (metallic & nonmetallic) that find application in various industries like oil & gas, petro chemical industries. Major types of Gaskets manufactured by the Asian are Ring Type Joint Gaskets, Spiral Wound Gaskets, Insulation Kit Gaskets, Non Metal and other special gaskets.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also 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 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 has endeavoured 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

None

Liquidity Position

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

Outlook: Not applicable

Any other information

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

Key Financials

| Particulars | Unit | FY 22 (Provisional) | FY 21 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 64.87 | 49.11 |
| PAT | Rs. Cr. | 3.03 | 0.50 |
| PAT Margin | (%) | 4.68 | 1.02 |
| Total Debt/Tangible Net Worth | Times | 2.95 | 3.92 |
| PBDIT/Interest | Times | 2.54 | 1.97 |

Status of non-cooperation with previous CRA

None

Any other information

Acuite is not in receipt of latest No Default Statement (NDS). Last NDS was received on December 2022.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|--|
| 22 Jul 2022 | Packing Credit | Short Term | 8.00 | ACUITE A4+ (Reaffirmed) |
| | Cash Credit | Long Term | 4.00 | ACUITE BB- Stable (Reaffirmed) |
| | Proposed Long Term Loan | Long Term | 3.97 | ACUITE BB- Stable (Reaffirmed) |
| | Term Loan | Long Term | 9.03 | ACUITE BB- Stable (Reaffirmed) |
| 07 May 2021 | Term Loan | Long Term | 9.03 | ACUITE BB- Stable (Upgraded from ACUITE B+ Stable) |
| | Packing Credit | Short Term | 8.00 | ACUITE A4+ (Upgraded from ACUITE A4) |
| | Proposed Long Term Loan | Long Term | 3.97 | ACUITE BB- Stable (Upgraded from ACUITE B+ Stable) |
| | Cash Credit | Long Term | 4.00 | ACUITE BB- Stable (Upgraded from ACUITE B+ Stable) |
| 27 Feb 2020 | Proposed Long Term Loan | Long Term | 0.50 | ACUITE B+ Stable (Reaffirmed) |
| | Term Loan | Long Term | 12.50 | ACUITE B+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 4.00 | ACUITE B+ Stable (Reaffirmed) |
| | Packing Credit | Short Term | 8.00 | ACUITE A4 (Reaffirmed) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|----------------|----------------|-------------------------|------------------|----------------|----------------|------------------|-------------------|--|
| Canara Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 4.00 | ACUITE BB- Reaffirmed Issuer not co-operating* |
| Canara Bank | Not Applicable | PC/PCFC | Not Applicable | Not Applicable | Not Applicable | Simple | 8.00 | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Loan | Not Applicable | Not Applicable | Not Applicable | Simple | 3.97 | ACUITE BB- Reaffirmed Issuer not co-operating* |
| Canara Bank | Not Applicable | Term Loan | 31 Mar 2013 | 12.85 | 31 Mar 2024 | Simple | 9.03 | ACUITE BB- Reaffirmed Issuer not co-operating* |

Contacts

| Analytical | Rating Desk |
|--|--|
| Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Katta Akhil Analyst-Rating Operations Tel: 022-49294065 akhil.katta@acuite.in | Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in |

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.