



Press Release
Astha Innovations Private Limited
February 20, 2024

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18.50	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	18.50	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of **'ACUITE BB' (read as ACUITE double B)** on the Rs.18.50 Cr bank facilities of Astha Innovations Private Limited (AIPL). The rating is now flagged as "Issuer Not Cooperating" based on account of information risk.

Acuite had sent repeated reminders to the company for sharing critical information and documents for surveillance of the ratings; but, despite multiple requests; the company's management has remained non-cooperative in providing any information. However, the banker has provided their feedback that the conduct of the account is satisfactory.

About the Company

Incorporated in 2001, Astha Innovations Private Limited (AIPL) is promoted by Mr. Dharamveer Nachrani and is engaged in trading of iron and steel products. The company is based in Chhattisgarh and its product portfolio includes sponge iron, pig iron, MS billets, bloom, silico manganese, ferro manganese, ferro silicon, MS angles, MS channels and more. Around 91 per cent of the company's revenue comes from export sales to countries like Nepal, Sri Lanka and Belgium. AIPL is a Star Export House certificate holder for its performance in the export sector. In addition, the company has a wind power plant with power generation capacity of 1.5 MW at Shajapur district in Madhya Pradesh. AIPL has entered into a power purchase agreement with Madhya Pradesh Power Corporation Limited for 25 years valid till 2036.

About the Group

Incorporated in 2021, Astha Ferro Alloys Private Limited (AFAPL) is a group company of AIPL and is engaged in the manufacturing of ferro alloys. The commercial operations started from October, 2021. Based in Chhattisgarh, AFAPL is promoted by Mr. Yash Nachrani and Mr. Dharamveer Nachrani.

Unsupported Rating

Not Applicable

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 non-cooperation 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 Acuité'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). 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 ratings based.

Rating Sensitivities

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	76.96	49.51
PAT	Rs. Cr.	1.75	0.79
PAT Margin	(%)	2.28	1.60
Total Debt/Tangible Net Worth	Times	1.02	1.24
PBDIT/Interest	Times	2.78	2.39

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>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
02 Dec 2022	Packing Credit	Long Term	18.50	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
07 Sep 2021	Packing Credit	Long Term	18.50	ACUITE BB+ Stable (Reaffirmed)
29 Jul 2021	Packing Credit	Long Term	10.00	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	18.50	ACUITE BB Reaffirmed Issuer not co-operating*

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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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