

Press Release

Akal Spring Limited (AKL)

06 March, 2018



Rating Update

Total Bank Facilities Rated	Rs. 9.30 Cr. #
Long Term Rating	SMERA B+ Issuer not co-operating*

Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA B+** (read as SMERA B plus) on the Rs.9.30 crore bank facilities of Akal Spring Limited (AKL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA 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 required documents before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition: <https://www.smerra.in/criteria-default.htm>
- Manufacturing Entities: <https://www.smerra.in/criteria-manufacturing.htm>
- Financial Ratios and Adjustments: <https://www.smerra.in/criteria-fin-ratios.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). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the Rated Entity

The Punjab based ASL, incorporated in 1974 is engaged in the manufacture of spring leafs and motor parts and has an installed capacity of 1200 MT per month. The company purchases raw materials- iron and steel from suppliers in Punjab, Rajasthan, U.P. and Delhi and sells the product in domestic as well as international markets (Australia, France, Nigeria and others).

For FY2016, the company reported profit after tax (PAT) of Rs.0.18 crore on operating income of Rs.34.41 crore, as compared with PAT of Rs.0.14 crore on operating income of Rs.28.28 crore in FY2015. The net worth stood at Rs.2.35 crore as on March 31, 2016 against Rs.2.17 crore a year earlier.

Rating history (last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
28 November, 2016	Cash Credit	Long Term	INR 9.00	SMERA B+/ Stable (Assigned)
	Term Loan	Long Term	INR 0.30	SMERA B+/ Stable (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	9.00	SMERA B+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.30	SMERA B+ Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Suman Chowdhury President - SMERA Bond Ratings Tel: +91-22-6714 1107 suman.chowdhury@smera.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in
Disha Parmar, Analyst - Rating Operations Tel: +91-22-6714 1120 disha.parmar@smera.in	

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits, etc. For more details, please visit www.smera.in.

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