

RATING RATIONALE

13 Mar 2021

Astec Valves & Fittings Pvt. Ltd.

Brickwork Ratings downgrades the long term and reaffirms the short term rating for the Bank Loan Facilities of ₹ 8.02 Crores of Astec Valves & Fittings Pvt. Ltd. based on best available information, as the Issuer did not cooperate.

Particulars

| Facility | Amount (₹ Cr) | | Tenure | Rating# | |
|----------------|---------------|---------|--|--------------------------------|---|
| | Previous | Present | | Previous (March, 2020) | Present |
| Fund Based | 4.02 | 4.02 | Long Term | BWR C+ Issuer Not Cooperating* | BWR C (Downgraded) Issuer Not Cooperating* |
| Non-Fund Based | 4.00 | 4.00 | Short Term | BWR A4 Issuer Not Cooperating* | BWR A4 (Reaffirmed) Issuer Not Cooperating* |
| Total | 8.02 | 8.02 | INR Eight Crores and Two Lakhs Only | | |

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Brickwork Ratings downgrades the long term and reaffirms the short term rating to BWR C/A4; Issuer not Cooperating for the Bank Loan Facilities of Astec Valves & Fittings Pvt. Ltd. amounting to ₹ 8.02 Crores, based on the best available information as the company has not provided any information/papers.

Brickwork Ratings had initially rated Astec Valves & Fittings Pvt. Ltd.'s bank loan facilities amounting to Rs. 8.02 Crores in February 2015. The rating assigned was BWR BB- (Stable)/A4. In May 2016, the outstanding ratings were reaffirmed at BB- (Stable)/A4. In December 2017, the outstanding rating was downgraded to B+ (Stable)/A4. In March 2019, the company was categorised under "Rating not Reviewed", on account of the required information not being provided. Subsequently on account of the required information not being provided, the company was moved to Issuer not Cooperating in March 2020 and was downgraded to BWR C+ /A4.

BWR took up with the company to provide required information for conducting a review of the ratings through emails and calls dated 18th, 30th November, 5th, 15th, 28th December 2020, 7th, 14th, 21st January, 2nd, 11th, 23rd February and 10th March 2021. Despite the best efforts of

BWR to get at least the minimum required information for a review, the company has not provided the same. As per telephonic conversation dated 30th November 2020, the client informed us that they would like to withdraw their rating, but they have not provided the required withdrawal documents. BWR reached out to the banker dated 10th March 2021, but received no response. Due to the continued lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's ability to service its debt and maintain a valid rating. Hence, based on best available information, Brickwork Ratings has downgraded the long term and short term rating to BWR C/A4; ISSUER NOT COOPERATING* category.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS (in ₹ Cr) [As Available with BWR]

| Key Parameters | Units | FY 17 | FY 16 |
|-------------------------------|-------|---------|---------|
| Result Type | | Audited | Audited |
| Operating Revenue | ₹ Cr | 15.73 | 39.08 |
| EBITDA | ₹ Cr | 1.40 | 5.92 |
| PAT | ₹ Cr | 0.25 | 3.09 |
| Tangible Net Worth | ₹ Cr | 10.32 | 9.91 |
| Total Debt/Tangible Net Worth | Times | 0.97 | 1.02 |
| Current Ratio | Times | 1.67 | 1.62 |

COMPANY PROFILE (Information as available in January, 2018)

Astec Valves and Fittings Private limited is a private limited incorporated in 1987 by Mr. Avtar Singh Kohli. The company is engaged in the line of manufacturing valves and fittings. Major products of the company are Instrument hook up material and prefabricated instrument hook up. The company has been awarded Rashtriya Udyog Award (2003) and Rajiv Gandhi Award (2004). Earlier in 1965, Mr. Avtar Singh Kohli had set up Associate techno in the same line of business. Post his tenure his wife Mrs. Harcharan Kaur Kohli -Chairperson (retired in April 2015) son Mr Kiranbir Singh Kohli - Managing Director and daughter in law Mrs. Sherry Singh Kohli - Chief Financial Officer look after the management of company affairs.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: N/A

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

| Instrument / Facilities | Current Rating | | | Rating History For The Previous Three Years [including withdrawal and suspended] | | |
|-------------------------|--------------------------------|---------------|--|--|------|------|
| | Tenure (Long Term/ Short Term) | Amount (₹ Cr) | Rating | 2020 | 2019 | 2018 |
| Fund Based | Long Term | 4.02 | BWR C (Downgraded) Issuer Not Cooperating* | BWR C+ Issuer Not Cooperating* | - | - |
| Non-Fund Based | Short Term | 4.00 | BWR A4 (Reaffirmed) Issuer Not Cooperating* | BWR A4 Issuer Not Cooperating* | - | - |
| Total | | 8.02 | INR Eight Crores and Two Lakhs Only | | | |

* Issuer did not cooperate. Based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What constitutes Non Cooperation](#)

| Analytical Contacts | |
|---|---|
| Rachit Salian Ratings Analyst M :+91 9967427918 rachit.s@brickworkratings.com | Sushil Kumar Chitkara Director - Ratings B :+91 22 2831 1426, +91 22 2831 1439 sushilkumar.c@brickworkratings.com |
| 1-860-425-2742 | media@brickworkratings.com |

ANNEXURE I

Astec Valves & Fittings Pvt. Ltd.

Details of Bank Facilities rated by BWR

| Sl. No. | Facilities | Type of Facility | Tenure | Amount Rated [₹ Cr] |
|--------------|-------------|------------------|------------|---------------------|
| 1 | Cash Credit | Fund Based | Long Term | 3.50 |
| 2 | Term Loan | | | 0.52 |
| 3 | SBLC | Non-Fund Based | Short Term | 4.00 |
| TOTAL | | | | 8.02 |

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER : Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).



BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.