

## Aesthetic Stampings and Laminations Limited

November 27, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	4.45	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	13.00	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE has been seeking information from Aesthetic Stampings & Laminations Limited to monitor the ratings vide e-mail communication dated August 22, 2024, September 03, 2024 & September 11, 2024, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Aesthetic Stampings & Laminations Limited's Bank facilities will be denoted as **CARE BB+; Stable/ CARE A4+ ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Analytical approach:** Standalone

**Outlook:** Stable

**Detailed description of the key rating drivers:**

At the time of last rating on October 09, 2023, the following were the rating strengths and weaknesses.

### Key weaknesses

#### Susceptibility to profit margins due to volatility in raw material prices

The raw materials required are various grade of steel viz. Cold Rolled Non-Grain Oriented Electrical Steel (CRNGO) coils, Cold Rolled Grain Oriented Electrical Steel (CRGO) coils, Cold Rolled Close Annealed (CRCA) coils and EC Grade Aluminium Ingots. However, the prices of which are fluctuating as per demand-supply factors. Furthermore, the company does not have any long-term contracts for purchase of material thus it exposes to any adverse fluctuation in raw material price. Accordingly, the profit margins of the firm are susceptible to fluctuation in raw material prices.

#### Average financial risk profile

The capital structure of ASLL remained moderate during the past four years ended as on March 31, 2024 with moderate level of tangible net worth base as compared to total debt. Tangible net worth has improved on continual basis due to accretion of profits to reserves and stood at Rs. 21.62 crore as on March 31, 2024 vis-à-vis Rs. 18.71 crore as on March 31, 2023. The debt coverage indicators of ASLL marked by total debt to gross cash accruals (GCA) has slightly improved and stood at 4.22x in FY24 vis-à-vis 4.26x in FY23. The interest coverage ratio improved and stood at 3.51x in FY24 vis-à-vis 3.24x in FY23. Nevertheless, the overall financial risk profile continues to remain at moderate level.

#### Presence in highly competitive & fragmented industry

ASLL operates in a highly fragmented market marked by the presence of a large number of players in the unorganized sector, which accounts for high share of the total domestic turnover. The industry is characterized by low entry barriers due to low technological inputs and easy availability of standardized machinery for the production which further intensifies the competition in the market. Since the industry is highly competitive, further it has low bargaining power and as a result the company has to follow a competitive price strategy.

### Key strengths

#### Long track record of operations with experienced promoter

ASLL has more than a decade of operational track record in the stampings industry through which it has established long term relations with its customers and suppliers. ASLL's management is vested in the hands of Mr. Harsh Chaudhary, Mr. Vimalnedu

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

Mishra and Mr. Atul Pandey who has around total experience of 25 years in the stampings industry. All the promoters are assisted by experienced management team in the field of accounts, sales and production to carry out day-to-day operations.

#### **Significant growth in Total Operating Income however profitability margins remained moderately low**

ASLL's scale of operations continue to remain at moderate level. The total operating income (TOI) improved significantly by 18.47% and stood at Rs. 163.40 crore in FY24 vis-à-vis Rs. 137.92 crore in FY23. This was partly driven by increase in volume and partly by increase in prices of finished goods. Further, the PBILDT margin has increased marginally and stood at 4.34% in FY24 vis-à-vis 3.83% in FY23.

#### **Liquidity: Adequate**

The liquidity position of ASLL remained adequate given the sufficient cash profits achieved to fund the debt obligations. The free cash & bank balance was Rs. 6.73 crore as on March 31, 2024 vis-à-vis Rs. 3.77 crore as on March 31, 2023. Further the current ratio stood moderate at 1.15x in FY24.

#### **Assumptions/Covenants: Not Applicable**

#### **Environment, social, and governance (ESG) risks: Not Applicable**

#### **Applicable criteria**

[Definition of Default](#)  
[Liquidity Analysis of Non-financial sector entities](#)  
[Policy in respect of non-cooperation by issuers](#)  
[Rating Outlook and Rating Watch](#)  
[Manufacturing Companies](#)  
[Financial Ratios – Non financial Sector](#)  
[Short Term Instruments](#)

#### **About the company and industry**

##### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Aluminium, Copper & Zinc Products

Aesthetic Stampings & Laminations Limited was incorporated in 2006 and was engaged in trading of Cold Rolled Grain Oriented (CRGO), Cold Rolled (CR) Steel, Hot Rolled (HR) Steel, and Non-grain oriented (NGO) sheets. Later in 2014, the company expanded its activities by starting its manufacturing unit for Cold Rolled Grain Oriented (CRGO) steel laminations, motor stampings for rotating machines, electrical stampings and transformer core laminations with cold rolled grain non-oriented steel and cold rolled grain-oriented coils (CRNGO & CRGO Coils). The company procures the raw material in the forms of coil, further the coil is slit based on customer specification on its width and weight and transform into core lamination of various shapes and sizes up to 1000 mm width, which finds its applications in various electrical motors and transformers.

The installed capacity of its manufacturing unit is 12,800 numbers (11,000 for motor stamping and 1800 for transformer lamination), of which 89% of motor stamping and 78% of transformer lamination capacity is utilized during FY23. Further the company is having ISO 9001:2015 certification. ASLL operates through its registered office in Malad, Mumbai (Maharashtra) and has manufacturing plant at Daman (Gujarat) and Wada (Maharashtra).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	137.92	163.40
PBILDT	5.28	7.09
PAT	2.04	2.91
Overall gearing (times)	0.73	0.84
Interest coverage (times)	3.24	3.51

A: Audited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### **Annexure-1: Details of instruments/facilities**

<b>Name of the Instrument</b>	<b>ISIN</b>	<b>Date of Issuance (DD-MM-YYYY)</b>	<b>Coupon Rate (%)</b>	<b>Maturity Date (DD-MM-YYYY)</b>	<b>Size of the Issue (₹ crore)</b>	<b>Rating Assigned and Rating Outlook</b>
Fund-based - LT-Bank Overdraft		-	-	-	3.53	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	May 2025	0.78	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2025	0.14	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	13.00	CARE A4+; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Bank Overdraft	LT	3.53	CARE BB+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable (09-Oct-23)	1)CARE BB+; Stable (28-Sep-22)	1)CARE BB; Stable (05-Oct-21)
2	Fund-based - LT-Term Loan	LT	0.78	CARE BB+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable (09-Oct-23)	1)CARE BB+; Stable (28-Sep-22)	1)CARE BB; Stable (05-Oct-21)
3	Fund-based - LT-Term Loan	LT	0.14	CARE BB+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable (09-Oct-23)	1)CARE BB+; Stable (28-Sep-22)	1)CARE BB; Stable (05-Oct-21)
4	Non-fund-based - ST-BG/LC	ST	13.00	CARE A4+; ISSUER NOT COOPERATING *	-	1)CARE A4+ (09-Oct-23)	1)CARE A4+ (28-Sep-22)	1)CARE BB; Stable / CARE A4 (05-Oct-21)
5	Non-fund-based - ST-Bill Discounting / Bills Purchasing	ST	-	-	-	-	1)Withdrawn (28-Sep-22)	1)CARE A4 (05-Oct-21)

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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