

Seam Industries Limited

December 04, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	38.37	CARE D; ISSUER NOT CO-OPERATING*	Rating continues to remain in ISSUER NOT COOPERATING category.
Short Term Bank Facilities	30.00	CARE D; ISSUER NOT CO-OPERATING*	Rating continues to remain in 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 Ratings Ltd. had, vide its press release dated September 06, 2023 placed the rating(s) of Seam Industries Limited(SIL) under the 'issuer non-cooperating' category as SIL had failed to provide information for monitoring of the rating and continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated July 22,2024; August 01, 2024; August 11, 2024 and December 03, 2024. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

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

The ratings take into account ongoing liquidation process against the company.

Analytical approach: Standalone

Outlook: Not applicable.

Detailed description of the key rating drivers:

At the time of last rating on September 06, 2023 the following were the rating weaknesses.

Key rating weaknesses

On-going delays in debt servicing: NCLT has ordered liquidation of company on June 30, 2021. Insolvency and Bankruptcy board of India has issued notice for auction of the company's assets

Applicable criteria

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

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

About the company and Industry

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Diversified Commercial Services

SIL was incorporated as a backward integration unit to help its parent Sunil Hi-Tech Engineers Limited (SHEL) to consolidate its fabrication and installation know-how in the power sector. SIL is a subsidiary of SHEL, which holds 88.61% (as on March 31, 2018) and is engaged in manufacturing of pressure parts used by power plants, petrochemical plants, sugar industry and heavy engineering industry. SIL primarily undertakes fabrication related to pressure parts, IBR (Indian Boiler Regulations) certified piping systems. Besides, it also undertakes fabrication of tanks, cooling coils, trays and jackets, distillation columns and volumetric condensers. SIL operates out of two units located in Nagpur with a combined area of 1,50,000 sq. meters and covered sheds of 11,800 sq. meters. The two units have a consolidated installed capacity of fabrication of 24,000 metric tons per annum (MTPA) of structures, 4,000 MTPA of piping and 5,000 MTPA of carbon piping and allied works.

Brief Financials (₹ crore)	FY15 (A)	FY16 (A)	FY17 (A)
Total Operating Income	166.10	157.55	149.39
PBILDT	20.53	15.71	16.11
PAT	4.23	2.44	2.63
Overall gearing (times)	1.32	1.37	1.15
Interest Coverage (times)	2.20	1.91	1.81

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	38.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	September 2018	0.37	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	30.00	CARE D; 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-Term Loan	LT	0.37	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Sep-23)	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-22)	1)CARE D; ISSUER NOT COOPERATING* (26-Apr-21)
2	Fund-based - LT-Cash Credit	LT	38.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Sep-23)	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-22)	1)CARE D; ISSUER NOT COOPERATING* (26-Apr-21)
3	Non-fund-based - ST-BG/LC	ST	30.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Sep-23)	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-22)	1)CARE D; ISSUER NOT COOPERATING* (26-Apr-21)

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

*LT: Long term, ST: 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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