

# Rating Update: Sintex-BAPL Limited

May 13, 2019

## Sintex-BAPL Limited

CARE Ratings downgraded the long term rating of Sintex-BAPL from CARE BBB+/Stable to CARE BB+/Stable on Friday, May 10, 2019.

The downgrade in ratings is on account of non-cooperation by the issuer and hence is not a reflection of deterioration in credit quality. As per the rating rationale, CAREs opinion is not sufficient to arrive at a rating and the downgrade is on account of lack of clarity on the liquidity profile of Sintex-BAPL due to non-sharing of requisite information by the company.

In January 2018, Sintex-BAPL refinanced its debt extending repayment maturities over next ten years. It has limited debt repayments in the near term. The management is under process of monetising its non-core businesses to deleverage the balance sheet.

We hold Rs. 100 crore of senior, secured zero coupon bonds (ZCB) of Sintex BAPL in DSP Credit Risk Fund. Our investment rated A/Stable by Brickworks is secured by charge over land and plant & machinery.

Our exposures, as mentioned below, will be marked down as per the valuations provided by the valuation agencies after considering 20% haircut on the maturity value.

Exposure by Schemes of DSP Mutual Fund in ZCBs issued by Sintex-BAPL

Scheme Name	Face Value (Rs. Crore)	% of AUM*	Valuation Impact
DSP Credit Risk Fund	100	2.6%	-0.45%

*\*as on May 12, 2019.*

## About the company

Sintex-BAPL is a wholly owned subsidiary of Sintex Plastics Technology Limited which houses the plastic processing and custom moulding business of the group. Their retail business accounts for two-third of the revenue and produces plastic moulded products like liquid storage tank, doors, window frames, plastics sections, etc. The auto business, which accounts for the balance, provides custom moulded products used for interior, exterior parts of automobiles, fuel systems, etc to a large number of leading OEMs.

It has a dominant position in the domestic plastic storage tank business. The entity also owns the “Sintex” brand name, which has a strong recall in the market. The company reported revenues of ~Rs. 1,270 crore during nine months ending December 2018 and generated EBITDA of ~Rs. 218 crore during the same period.

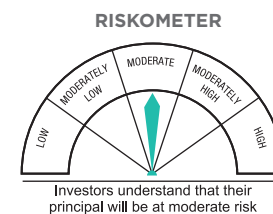
**Product Labeling**

**DSP CREDIT RISK FUND**

An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds).

This Scheme is suitable for investor who are seeking\*

- Income over a medium-term to long term investment horizon
- Investment predominantly in corporate bonds which are AA and below rated instruments



\*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

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**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**