

Rating Update: Sintex-BAPL Limited

August 21, 2019

Brickwork Ratings downgraded the long term rating of Sintex-BAPL from BWR C to BWR D on August 21, 2019.

The rating revision follows default in debt servicing of interest and principal repayments due to its stressed liquidity. As per the stock exchange filing by Sintex Plastic Technology Limited (SPTL; the holding company of Sintex-BAPL) on August 14, 2019, Sintex-BAPL has defaulted in principal payment to its lenders.

Our exposure of Rs. 50.6 crore in Zero Coupon Bond (ZCB) has been marked down as per valuations provided by the valuation agencies after considering an additional 20% hair cut on the maturity value.

This exposure is in DSP Credit Risk Fund and the valuation impact is ~0.97% of the scheme NAV as on August 20, 2019.

Our investment is secured by mortgage over land and charge over plant and machinery of the company.

The Company through its wholly owned subsidiary has entered into a Share Purchase Agreement for sale of 100% equity stake of its subsidiary Sintex NP SAS, which could improve the liquidity profile of the company.

DSP Investment Managers is in constant dialogue with the company for a faster resolution and is taking appropriate measures to protect the interest of investors in accordance with the terms of issuance of said ZCBs.

Product Labeling

<p>DSP CREDIT RISK FUND An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds).</p> <p>This Scheme is suitable for investor who are seeking*</p> <ul style="list-style-type: none"> • Income over a medium-term to long term investment horizon • Investment predominantly in corporate bonds which are AA and below rated instruments 	<p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at moderate risk</p>
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*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.