

Technico Strips and Tubes Private Limited

March 02, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	21.55	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	14.50	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	36.05 (Rs. Thirty-Six Crore and Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 03, 2019, placed the rating of Technico Strips and Tubes Private Limited (TSTPL) under the 'issuer non-cooperating' category as TSTPL failed to provide information for monitoring of the rating. TSTPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated February 25, 2021. 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.

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

Detailed description of the key rating drivers

Key Rating Weaknesses

At the time of last rating on December 03, 2019 the following were the rating strengths and weaknesses

Instances of delays in the debt servicing

There have been instances of delays in the servicing of term debt obligation. Further, there have also been instances of overdrawals in the fund based limits availed by the company for not more than 30 days. The same has been on account of the stretched liquidity position of the company.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Liquidity analysis of Non-financial sector entities](#)

[Financial ratios –Non-Financial Sector](#)

[CARE's methodology for manufacturing companies](#)

[CARE's methodology for Steel Sector](#)

About the Company

Technico Strips & Tubes Private Limited (TSTPL) was incorporated in April -1992 by the name 'R.N. Gupta Cycles Private Limited' and was earlier engaged in the manufacturing of cycle parts. Subsequently, the company changed its name to TSTPL in 2007. The company is promoted by Mr. Ajay Gupta and his son, Mr. Nitin Gupta and currently is engaged in the manufacturing of electric-resistance welded steel tubes and cold-drawn welded steel tubes at its sole facility in Ludhiana, with an annual production capacity of 22000 MT (as on March 31, 2018).

Brief Financials (Rs. crore)	FY17 (A)	FY18(A)
Total operating income	62.60	86.95
PBILDT	5.89	7.31
PAT	0.20	0.49
Overall gearing (times)	4.37	4.67
Interest coverage (times)	1.87	1.86

A: Audited

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 for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Working Capital Demand loan	-	-	-	12.25	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	5.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	3.80	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	14.50	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Working Capital Demand loan	LT	12.25	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Dec-19) 2)CARE D (05-Sep-19)	1)CARE BB-; Stable (17-Aug-18)	1)CARE BB-; Stable (25-Jul-17)
2.	Fund-based - LT-Cash Credit	LT	5.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Dec-19) 2)CARE D (05-Sep-19)	1)CARE BB-; Stable (17-Aug-18)	1)CARE BB-; Stable (25-Jul-17)
3.	Fund-based - LT-Term Loan	LT	3.80	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Dec-19) 2)CARE D (05-Sep-19)	1)CARE BB-; Stable (17-Aug-18)	1)CARE BB-; Stable (25-Jul-17)
4.	Non-fund-based - ST-BG/LC	ST	14.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Dec-19) 2)CARE D (05-Sep-19)	1)CARE A4 (17-Aug-18)	1)CARE A4 (25-Jul-17)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: Not applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Fund-based - LT-Working Capital Demand loan	Simple
4.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.