

Arcotech Limited

February 09, 2022

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|--|--|---|--|
| Long Term Bank Facilities | 266.81 | CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Long Term / Short Term Bank Facilities | 205.00 | CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Bank Facilities | 471.81 (Rs. Four Hundred Seventy-One Crore and Eighty-One Lakhs Only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. has been seeking information from Arcotech Limited to monitor the rating(s) vide e-mail communications November 07, 2021, February 03, 2022 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 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. The rating on Arcotech Limited's bank facilities will now be denoted as **CARE D; 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).

Detailed description of the key rating drivers

At the time of last rating on December 02, 2020 the following were the rating strengths and weaknesses:

Key Rating Weaknesses

Ongoing delays in debt servicing: The ratings assigned to the bank facilities of ATL take into account ongoing delays in debt servicing.

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

About the Company

Arcotech was incorporated as Shri Krishna Strips Ltd in 1984 and started its operations with a unit at New Delhi to manufacture cold rolled copper/brass strips & foils with a capacity of 1,666 MT. In 2006, the company relocated its unit to Bawal, Haryana and its shares were listed on the Bombay Stock Exchange Ltd (NSE & BSE) with effect from December 28, 2007. The company undertakes manufacturing of brass & copper foils, strips and sheets including radiator brass foils and radiator copper foils with a capacity of 24,000 MTPA as on March 31, 2017 at its facility in Bawal (Haryana).

| Brief Financials (Rs. crore) | 31-03-2020 (A) | 31-03-2021 (A) | H1FY22 (UA) |
|------------------------------|----------------|----------------|-------------|
| Total operating income | 76.65 | 53.15 | 42.63 |
| PBILDT | -65.41 | -3.02 | -3.95 |
| PAT | -58.71 | -26.52 | -14.86 |
| Overall gearing (times) | 6.30 | 10.00 | NA |
| Interest coverage (times) | -4.99 | -0.12 | -0.32 |

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

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: NA

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

Annexure-1: Details of Instruments / Facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|---------------------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Term Loan | | - | - | - | 6.81 | CARE D; ISSUER NOT COOPERATING* |
| Non-fund-based - LT/ ST-BG/LC | | - | - | - | 205.00 | CARE D / CARE D; ISSUER NOT COOPERATING* |
| Fund-based-Working capital facilities | | - | - | - | 260.00 | CARE D; ISSUER NOT COOPERATING* |

Annexure-2: Rating History of last three years

| Sr. No | Name of the Instrument/ Bank Facilities | Current Ratings | | | Date(s) & Rating(s) assigned in 2021-2022 | 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 |
| 1 | Fund-based - LT-Term Loan | LT | 6.81 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (02-Dec-20) | 1)CARE D; ISSUER NOT COOPERATING* (12-Dec-19) | 1)CARE D; ISSUER NOT COOPERATING* (16-Oct-18) |
| 2 | Non-fund-based - LT/ ST-BG/LC | LT/ST* | 205.00 | CARE D / CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (02-Dec-20) | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (12-Dec-19) | 1)CARE D / CARE D; ISSUER NOT COOPERATING* (16-Oct-18) |
| 3 | Fund-based-Working capital facilities | LT | 260.00 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (02-Dec-20) | 1)CARE D; ISSUER NOT COOPERATING* (12-Dec-19) | 1)CARE D; ISSUER NOT COOPERATING* (16-Oct-18) |

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA

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

| Sr. No | Name of instrument | Complexity level |
|--------|---------------------------------------|------------------|
| 1 | Fund-based - LT-Term Loan | Simple |
| 2 | Fund-based-Working capital facilities | Simple |
| 3 | Non-fund-based - LT/ ST-BG/LC | Simple |

Annexure 5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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 CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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