

## Arcotech Limited

May 04, 2023

| Facilities/Instruments                | Amount (₹ crore) | Rating <sup>1</sup>                      | Rating Action  |
|---------------------------------------|------------------|--|--|
| Long Term Bank Facilities             | 266.81           | CARE 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* | Rating continues to remain under 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 Limited (CARE Ratings) had, vide its press release dated October 05, 2017, placed the rating(s) of Arcotech Limited (Arcotech) under the 'issuer non-cooperating' category as Arcotech had failed to provide information for monitoring of the rating. Arcotech continues to be non-cooperative despite repeated requests for submission of information through e-mail communications December 26, 2022, January 05, 2023 and January 15, 2023 among others and numerous phone calls. 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'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).**

**Analytical approach:** Standalone

### Detailed description of the key rating drivers:

At the time of last rating on February 09, 2022, the following were the rating weaknesses:

#### Key weaknesses

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

### Applicable criteria

[Financial Ratios – Non financial Sector](#)

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

[Manufacturing Companies](#)

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

[Policy on default recognition](#)

[Policy on Withdrawal of Ratings](#)

[Rating Outlook and Credit Watch](#)

[Steel](#)

### About the company and industry

#### Industry classification

| Macro Economic Indicator | Sector          | Industry             | Basic Industry |
|--------------------------|-----------------|----------------------|----------------|
| Commodities              | Metals & Mining | Non - Ferrous Metals | Copper         |

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).

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

| Brief Financials (₹ crore) (Standalone) | March 31, 2021 (A) | March 31, 2022 (A) | 9MFY23 (UA) |
|---|--------------------|--------------------|-------------|
| Total operating income                  | 53.02              | 74.75              | 0.03        |
| PBILDT                                  | -3.14              | -68.60             | -0.90       |
| PAT                                     | -26.52             | -60.09             | -25.44      |
| Overall gearing (times)                 | 10.00              | NM                 | NM          |
| Interest coverage (times)               | -0.13              | -3.17              | NM          |

A: Audited UA: Unaudited; NM: Not Meaningful; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** None

**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 along with Rating Outlook |
|--|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Term Loan              | -    | -                             | -               | March 2018                 | 6.81                        | CARE D; ISSUER NOT COOPERATING*           |
| Fund-based- Working capital facilities | -    | -                             | -               | -                          | 260.00                      | CARE D; ISSUER NOT COOPERATING*           |
| Non-fund-based - LT/ ST-BG/LC          | -    | -                             | -               | -                          | 205.00                      | CARE D / 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 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022                   | Date(s) and Rating(s) assigned in 2020-2021                   |
| 1       | Fund-based - LT-Term Loan                | LT              | 6.81                         | CARE D;<br>ISSUER NOT COOPERATING *          | -   | -   | 1)CARE D;<br>ISSUER NOT COOPERATING *<br>(09-Feb-22)          | 1)CARE D;<br>ISSUER NOT COOPERATING *<br>(02-Dec-20)          |
| 2       | Non-fund-based - LT/ST-BG/LC             | LT/ST *         | 205.00                       | CARE D / CARE D;<br>ISSUER NOT COOPERATING * | -   | -   | 1)CARE D / CARE D;<br>ISSUER NOT COOPERATING *<br>(09-Feb-22) | 1)CARE D / CARE D;<br>ISSUER NOT COOPERATING *<br>(02-Dec-20) |
| 3       | Fund-based-Working capital facilities    | LT              | 260.00                       | CARE D;<br>ISSUER NOT COOPERATING *          | -   | -   | 1)CARE D;<br>ISSUER NOT COOPERATING *<br>(09-Feb-22)          | 1)CARE D;<br>ISSUER NOT COOPERATING *<br>(02-Dec-20)          |

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

\*Long term/Short term.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: NA****Annexure-4: Complexity level of the various instruments rated**

| Sr. No. | Name of the 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: 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](mailto:care@careedge.in) for any clarifications.

### Contact Us

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### Disclaimer:

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