

Arcotech Limited

October 16, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	266.81	CARE D; ISSUER NOT COOPERATING (D; ISSUER NOT COOPERATING)	Issuer not cooperating; Revised from CARE BB-; ISSUER NOT COOPERATING (Double B Minus; Issuer not cooperating) on the basis of best available information
Long-term/Short-term Bank Facilities	205.00	CARE D/ CARE D; ISSUER NOT COOPERATING (D/ D; ISSUER NOT COOPERATING)	Issuer not cooperating; Revised from CARE BB-/ CARE A4; ISSUER NOT COOPERATING (Double B Minus/ A Four; Issuer not cooperating) on the basis of best available information
Total	471.81 (Rs. Four Hundred and Seventy One Crore and Eighty One Lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information/NDS from Arcotech Limited to monitor the ratings vide e-mail communications dated October 8, 2018, October 4, 2018, October 1, 2018, September 30, 2018, September 21, 2018, September 14, 2018, September 7, 2018, September 5, 2018, September 3, 2018, August 31, 2018, August 16, 2018, August 7, 2018, August 3, 2018, August 1, 2018, July 31, 2018 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 has reviewed the rating on the basis of the publicly 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 ratings.

Detailed description of the key rating drivers

The revision in the ratings assigned to the bank facilities of Arcotech Limited takes into account ongoing delays in debt servicing by the company.

Analytical approach: Standalone

Applicable Criteria

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

[Criteria on assigning Outlook to Credit Ratings](#)

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

[Rating Methodology-Manufacturing Companies](#)

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

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).

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	822.82	788.42
PBILDT	100.39	76.14
PAT	27.31	3.92
Overall gearing (times)	1.17	1.34
Interest coverage (times)	1.87	1.19

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

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.

Analyst Contact:

Name: Ajay Kumar Dhaka

Tel: +91-11-45333218

Mobile: +91-8826868795

Email: ajay.dhaka@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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-Term Loan	-	-	March 2018	6.81	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - LT/ST-BG/LC	-	-	-	205.00	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB- / CARE A4; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based-Working capital facilities	-	-	-	260.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; ISSUER NOT COOPERATING* on the basis of 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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	6.81	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE BB-; ISSUER NOT COOPERATING* (05-Oct-17)	1)CARE BB (10-Oct-16)	1)CARE BBB (24-Sep-15)
2.	Non-fund-based - LT/ ST-BG/LC	LT/ST	205.00	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB- / CARE A4; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE BB- / CARE A4; ISSUER NOT COOPERATING* (05-Oct-17)	1)CARE BB / CARE A4 (10-Oct-16)	1)CARE BBB / CARE A3+ (24-Sep-15)
3.	Fund-based-Working capital facilities	LT	260.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE BB-; ISSUER NOT COOPERATING* (05-Oct-17)	1)CARE BB (10-Oct-16)	1)CARE BBB (24-Sep-15)

CONTACT**Head Office Mumbai**

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

JAIPUR

Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

BENGALURU

Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

KOLKATA

Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

CHANDIGARH

Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 851111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

NEW DELHI

Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

CHENNAI

Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

PUNE

Mr. Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

CIN - L67190MH1993PLC071691

HYDERABAD

Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com