

Arcotech Limited
December 02, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings 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 had, vide its press release dated December 12, 2019, placed the ratings of Arcotech Limited (ATL) under the 'issuer non-cooperating' category as ATL had failed to provide information for monitoring of the rating. ATL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated November 23, 2020. 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(s).

The ratings assigned to the bank facilities of Arcotech Limited (ATL) continue to take into account the ongoing delays in the servicing of debt obligations by the company.

Detailed description of the key rating drivers

At the time of last rating on December 12, 2019 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](#)

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

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

[Rating Methodology-Manufacturing Companies](#)

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

[Rating methodology – Short term instruments](#)

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 definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	788.42	454.39
PBILDT	76.14	-64.73
PAT	3.92	-92.15
Overall gearing (times)	1.34	3.55
Interest coverage (times)	1.19	NM [^]

A: Audited, [^]not meaningful

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-Term Loan	-	-	March 2018	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*

*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-Term Loan	LT	6.81	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Dec-19)	1)CARE D; ISSUER NOT COOPERATING* (16-Oct-18)	1)CARE BB-; ISSUER NOT COOPERATING* (05-Oct-17)
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* (12-Dec-19)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (16-Oct-18)	1)CARE BB- / CARE A4; ISSUER NOT COOPERATING* (05-Oct-17)
3.	Fund-based- Working capital facilities	LT	260.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Dec-19)	1)CARE D; ISSUER NOT COOPERATING* (16-Oct-18)	1)CARE BB-; ISSUER NOT COOPERATING* (05-Oct-17)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities – None

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

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. 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.

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