

Stone India Limited

July 17, 2019

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	34.48	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Short term Bank Facilities	19.30	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	53.78 (Rs. Fifty three crore and seventy eight lakh only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Stone India Limited (SIL) to monitor the rating(s) vide e-mail communications dated May 09, 2019, May 27, 2019 and July 11, 2019 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. Further, SIL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. **The rating on SIL's bank facilities will be denoted as CARE D/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).

The ratings take into account the instances of the delays in servicing of its debt obligations.

Detailed description of key rating drivers

At the time of last rating on Feb 23, 2018 the following were the rating strengths and weaknesses (updated for the information available from banker's feedback):

Key rating weakness

Delays in debt servicing: The liquidity position of the company has been severely impacted leading to delays in servicing of its debt obligations, instances of LC devolvement & BG invocation.

Analytical approach: Standalone Approach.

Applicable criteria:

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

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

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

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

About the company

Stone India Limited (SIL), currently belonging to the Kolkata-based Duncan Goenka group, was incorporated in 1931. Before coming under the aegis of the Duncan Goenka group in early 90s, SIL was a part of Stone-Platt, a UK based group. SIL has been engaged in the manufacturing of electrical and mechanical equipment like brake systems, alternators, pantographs, slack adjusters, etc. for rail road industry, since eight decades. Its manufacturing facilities are located in Kolkata and Baddi (Himachal Pradesh). SIL has technical tie-ups with foreign players for gaining access to new technology and to maintain business continuity with Indian Railways (IR).

The Duncan Goenka group, which has interest in sectors like tea, paper, chemical and engineering, is spearheaded by Mr. G. P. Goenka duly supported by his son Mr. S. V. Goenka.

Status of non-cooperation with previous CRA: ICRA has suspended its ratings vide press release dated September 26, 2014 on account of non-cooperation by SIL with ICRA's efforts to undertake a review of the outstanding ratings.

²Complete 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

Any other information: Not applicable

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

Annexure-1: Details of 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	-	-	-	0.41	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	34.07	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-BG/LC	-	-	-	18.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	0.60	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	0.70	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE D; ISSUER NOT COOPERATING* on the basis of best available information

*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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	0.41	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Feb-18) 2)CARE D (14-Jul-17)	1)CARE BB (12-Oct-16)
2.	Fund-based - LT-Cash Credit	LT	34.07	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Feb-18) 2)CARE D (14-Jul-17)	1)CARE BB (12-Oct-16)
3.	Non-fund-based	ST	18.00	CARE D; ISSUER	-	-	1)CARE D; ISSUER	1)CARE

	- ST-BG/LC			NOT COOPERATING* Issuer not cooperating; Based on best available information			NOT COOPERATING* (23-Feb-18) 2)CARE D (14-Jul-17)	A4 (12-Oct-16)
4.	Non-fund-based - ST-Bank Guarantees	ST	0.60	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Feb-18) 2)CARE D (14-Jul-17)	1)CARE A4 (12-Oct-16)
5.	Non-fund-based - ST-Letter of credit	ST	0.70	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE D; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Feb-18) 2)CARE D (14-Jul-17)	1)CARE A4 (12-Oct-16)

**Issuer did not cooperate; Based on best available information*

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

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.

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