



## Rating Rationale

### Archon Engicon Limited

18 Jan 2018

Brickwork Ratings has reviewed the Rating for the bank loan facilities of Rs. 438.25 Crs of Archon Engicon Ltd based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is downgraded to ISSUER NOT COOPERATING based on best available information BWR D\*.

#### Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating <sup>1</sup>	
	Previous	Present		Previous	Present
<b>Fund Based</b>					
Cash Credit	120.18	120.18	Long Term	<b>BWR BB-</b> (Pronounced as BWR Double B Minus) <b>Outlook: Negative</b>	Issuer not Co-operating; <b>BWR D</b> (Pronounced as BWR Single D) Downgraded
WCTL	148.88	148.88			
FILT-I (WCTL)	37.56	37.56			
FILT-II (CC)	15.75	15.75			
<b>Non Fund Based</b>					
Bank Guarantee	115.88	115.88	Short Term	<b>BWR A4</b> (Pronounced as BWR A Four)	Issuer not Co-operating; <b>BWR D</b> (Pronounced as BWR Single D) Downgraded
<b>Total</b>	<b>438.25</b>	<b>438.25</b>	<b>Rs. 438.25 (Rupees Four Hundred Thirty Eight Crores and Twenty Five Lakhs Only)</b>		

<sup>1</sup> Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

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

#### Rating downgraded

The rating downgrade reflects the deteriorating credit quality on account of inability of the company to service its debt obligations on time signifying a liquidity stress in the company.

#### Nature of Non-co-operation:

The rating was due for a review in February 2017. BWR took up with the issuer to provide required information over email and the company has not provided the required information to carry out the review process. In absence of the adequate information from the issuer, BWR is unable to access the issuers financial performance and its ability to service its debt and maintain a valid rating. Subsequently, BWR has also done follow ups with Bankers/Lenders and got response that there is delay in servicing interest, and principal.

**Limitations of the rating:**

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

**About the Company**

Archon Engicon Limited (AEL) incorporated in 2014 and is started its operations with telecom tower manufacturing, erection and commissioning. In FY10, it ventured into transmission tower manufacturing and now it is a turnkey solution provider for transmission and distribution (T&D) line projects. During FY12, the company entered into the supply of tower structure for renewable energy. AEL is promoted by Mr. Chandrashekhar B. Panchal, Managing Director having more than two decades of experience in Transmission and Distribution Infrastructure (TDI) sector.

**Rating History for the last three years (including withdrawn/suspended ratings)**

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	Date in 2016	Date in 2015	Date in 2014
1	Cash Credit	Long Term	120.18	Issuer not Co-operating; <b>BWR D*</b>	BWR BB- Outlook: Negative	BWR BBB-	-
2	WCTL		148.88				
3	FILT-I (WCTL)		37.56				
4	FILT-II (CC)		15.75				
5	Bank Guarantee	Short Term	115.88	Issuer not Co-operating; <b>BWR D*</b>	BWR A4	BWR A3	-
<b>Total</b>			<b>Rs. 438.25 (Rupees Four Hundred Thirty Eight Crores and Twenty Five Lakhs Only)</b>				

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

Status of Non-Cooperation with Other CRA: Not Applicable

Any other information: Not Applicable

**Hyperlink/Reference to applicable Criteria / Policies**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-cooperation](#)
- [Service Sector](#)
- [Short Term Debt](#)

For any other criteria to be hyperlinks from website to be taken



Analytical Contacts	Media
Mr. Bal Krishna Piparaiya <a href="#">Chief General Managers</a>  <a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
	Relationship Contact
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	

**For print and digital media**

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

**DISCLAIMER**

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.