

Rating Rationale

20th November, 2017

Arfin India Limited

Brickwork Ratings has reviewed the Rating for the bank loan facilities of Rs. 37.50 Crs of Arfin India Limited based on best available information, as the issuer did not cooperate. Accordingly the long term rating for the said instrument is reaffirmed as BWR BBB- /A3 ISSUER NOT COOPERATING.**

Particulars:

Facility Rated	Amount (Rs. In Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based : Cash Credit	37.50	37.50	Long Term	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook: Stable	BWR BBB- (Outlook : Stable) (Pronounced as BWR Triple B Minus) ISSUER NOT COOPERATING** Reaffirmation
EPC/PCFC/FBP/FBD	(9.50)	(9.50)			
Buyers Credit	(18.75)	(18.75)			
LER	(2.78)	(2.78)			
Non Fund Based : Bank Guarantee	(2.00)	(2.00)	Short Term	BWR A3 (Pronounced as BWR A Three)	BWR A3 (Pronounced as BWR A Three) ISSUER NOT COOPERATING** Reaffirmation
Total	37.50	37.50	INR Thirty Seven Crores & Fifty Lacs Only		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Issuer did not cooperate; based on the best available information

Long Term Rating and Short term rating reaffirmed.

Nature of Non-co-operation:

The rating was due for a review in December 2016, BWR took up with the issuer to provide required business & other related information and documents over emails and telephone calls. However, no adequate feedback was provided by the Company. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating.



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 (Information as available as on August-2015)

Arfin Group was established in 1992 by Mr. Mahendra Shah at Ahmedabad, Gujarat as a dormant NBFC. However it had forayed into aluminum industry in 2012 by surrendering the NBFC license to RBI in 1996 and has registered office at Ahmedabad and the factory is located at Gandhinagar district of Gujarat.

The company deals in aluminum recycling and Ferro alloys segment and are primarily engaged into manufacturing of aluminum products and aluminum cored wires. In 2013-14, it has also expanded its reach to the automobile industry by extending its manufacturing strength to produce high-quality Aluminum Auto products.

The manufactured products ranges from aluminum deox products such as ingots, cubes, shots, etc. It also produces aluminum alloy ingots and drawn wire, wire rods, cored wire, and aluminum auto components with a total installed production capacity of 41400 MTPA.

AIL caters to the steel industry both domestically as well as international with reputed customer base such as Essar Steel India Limited, TATA Steel Ltd., JSW Steel Ltd., Saudi Basic Industries Corporation, etc.

The company has its two associate concerns namely, *Mahendra Aluminium Company Ltd.* And *Krish Ferro Industries Pvt. Ltd.* which are in the same line of business since a decade.

Ownership & Management Profile:

AIL is listed with BSE, with the Promoter Group led by Mr. Mahendra Shah holding 72.27% shareholding; the balance 27.73% is public shareholding.

Highlights of financial information:

Based on BSE website (AIL being a listed Company), the revenue during FY17 was Rs. 386.78 Crs with a PAT of Rs. 13.03 Crs and for HYFY18 the revenue is Rs. 175.43 Crs with a PAT of Rs. 7.86 Crs.

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

Sr No.	Instrument/Facility	Current Rating (Year 2017)			Rating History	
		Tenure	Amount (Rs In Crs)	Rating	2016	August 2015
1	Fund Based : Cash Credit	Long Term	37.50	BWR BBB- Outlook : Stable) (Pronounced as BWR Triple B Minus) ISSUER NOT COOPERATING* Reaffirmation	Not Rated	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook: Stable
2	EPC/PCFC/FBP/FBD		(9.50)			
3	Buyers Credit		(18.75)			
4	LER		(2.78)			
5	Non Fund Based : Bank Guarantee	Short Term	(2.00)	BWR A3 (Pronounced as BWR A Three) ISSUER NOT COOPERATING* Reaffirmation	Not Rated	BWR A3 (Pronounced as BWR A Three)
	Total		37.50	INR Thirty Seven Crores & Fifty Lacs Only		

*Issuer did not Co-operate; based on best available information

Hyperlink/Reference to applicable Criteria / Policies

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-cooperation](#)
- [Manufacturing Companies](#)
- [Long Term Debt](#)

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

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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 Investors queries can be sent to 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.