



Rating Rationale

Asian Colour Coated Ispat Limited

1st September 2017

Brickwork Ratings downgrades the long term and short term ratings to BWR 'D' for the bank loan facilities of Rs. 3585.00 Crs of Asian Colour Coated Ispat Limited.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based					
Cash Credit	1221.00	1221.00	Long Term	BWR BB (BWR Double B) Outlook: Negative	BWR D (Downgraded) ISSUER NOT COOPERATING*
Term Loans	624.00	624.00			
Non Fund Based					
LC	1740.00	1740.00	Short Term	BWR A4 (BWR A Four)	BWR D (Downgraded) ISSUER NOT COOPERATING*
Total	Rs. 3585.00 Crores (INR Three Thousand Five Hundred and Eighty Five Crores Only.)				

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

*Issuer did not cooperate; Based on best available information

Long Term Rating Downgraded to BWR D. Short Term Rating Downgraded to BWR D

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the feedback received from the company's lenders regarding the conduct of the company's accounts maintained with the respective banks.

The accounts have been classified as a Non Performing Asset (NPA) by the lenders on account of persisting liquidity issues faced by the company and irregularities/overdues in the bank accounts. Hence, the rating assigned to the company's long term and short term bank loan facilities is downgraded to 'BWR D'.



Nature of Non-co-operation:

The rating was due for annual review in August 2017. BWR took up with the issuer over emails and through telephone calls to provide the minimum required information to carry out a review. Despite the best efforts of BWR to get at least the minimum required information for a review, the company did not provided the same. In the absence of adequate information from the issuer/company, BWR is unable to assess the issuer's/company's financial performance and maintain a valid rating.

Limitation of the rating:

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

Analytical Approach

BWR has applied its rating methodology as detailed in the Ratings Criteria (hyperlinks provided at the end of this rationale).

About the Company

ACCIL is part of the Haryana based Asian Group of Companies, incorporated in February 2005 and promoted by Mr. Ram Kumar Aggarwal, Mr. Pradeep Aggarwal, Mr. Vikas Aggarwal and AGR Steel Strips Private Limited (ASSPL). The company's corporate office is located at Gurgaon, while its manufacturing facilities are located at Bawal (Haryana) and Khopoli (Maharashtra). ACCIL is engaged in the manufacture of Hot Rolled Pickled Oil (HRPO) Coils, Cold Rolled Coils, HR Galvanised Coils, CR Galvanised Coils and Colour Coated Sheets/Coils.

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

Sl. No.	Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	11 Aug 2016	18 April 2016	18 March 2016
1	Cash Credit	Long Term	1221.00	BWR D (Downgraded) Issuer not Cooperating	BWR BB (Outlook Negative) (Downgraded)	BWR BBB (Outlook Negative) (Downgraded)	BWR A (Rating under Watch)
2	Term Loan		624.00				
3	Letter of Credit	Short Term	1740.00	BWR D (Downgraded) Issuer not Cooperating	BWR A4 (Downgraded)	BWR A3 (Downgraded)	BWR A1 (Rating under Watch)
TOTAL			3585.00				



Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What constitutes Client Non-Cooperation](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
Ashwini Mital Senior General Manager - Ratings analyst@brickworkratings.com	media@brickworkratings.com <div style="background-color: #800040; color: white; text-align: center; padding: 2px;">Relationship Contact</div> bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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.