

## Press Release

### Brickwork Ratings assigns Asian Colour Coated Ispat Limited an Issuer Rating of 'BWR BBB+'

**Issuer Rating: BWR BBB+**

**Outlook : Stable**

Brickwork Ratings (BWR) has assigned an Issuer rating of 'BWR BBB+' (Pronounced BWR Triple B Plus) to **Asian Color Coated Ispat Limited**. An Issuer with this rating is considered to offer a moderate degree of creditworthiness.

The rating has factored, inter alia, the experience of ACCIL's management in the steel industry, growth in revenues and profits and increasing focus on value added products. The rating is constrained by the current economic conditions, the Company's stretched working capital cycle and moderate strain in cash flows in FY13.

ACCIL is a closely held public limited company. It was incorporated in February 2005 and is promoted by Mr. Ram Kumar Aggarwal, Mr. Pradeep Aggarwal, Mr. Vikas Aggarwal and AGR Steel Strips Pvt Ltd (ASSPL). The company's corporate office is located in Gurgaon, while its manufacturing facilities are located in Bawal, Haryana.

ACCIL manufactures cold rolled coils, galvanized coils and colour coated coils. It is currently implementing two projects: (a) expansion of the existing facilities at Bawal and (b) a greenfield facility at the Khopoli Industrial Estate, Raigarh, Maharashtra. ACCIL caters to Original Equipment Manufacturers in the NCR region, and has a ready market for its galvanized and colour coated products. In future, the company plans to focus on its value-added products to benefit from higher margins.

Net Sales for FY11 stood at ₹ 1599.1 crores, growing at 24.2% y-o-y. EBITDA margin was 13.9% and PAT margin was 6.27%. ACCIL has a Net Worth of ₹ 561.6 crores and total borrowings of ₹ 858.9 crores.

The rating is sensitive to the Company's ability to ensure timely execution of the projects and successfully manage its cash flows.

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