

Press Release

Brickwork Ratings assigns ‘BWR A-’ Rating to the ₹ 338 Crore Term Loan of Asian Colour Coated Ispat Limited

Issuer Rating: BWR A-	Outlook : Stable
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Brickwork Ratings (BWR) has assigned a rating of BWR A- (Pronounced BWR Single A Minus) to the ₹ 338 crore Term Loan facilities of **Asian Color Coated Ispat Limited**. Instruments with this rating are considered to have **adequate** degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The rating has factored, inter alia, the Management’s experience in the steel industry, healthy operational / financial performance, increasing focus on value added products and progress on expansion projects. The rating is constrained by the current economic conditions and the Company’s stretched working capital cycle.

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. Its expansion project at Bawal is on track to commence operations in Dec 2012. Phase I of the Company’s greenfield facility at the Khopoli Industrial Estate, Maharashtra commenced operations in Feb 2012, while Phase II is expected to start in July 2012 and Phase III in Dec 2012. ACCIL currently caters to Original Equipment Manufacturers in the NCR region, such as Hero Honda, LG Electronics and Maharaja Electricals. The new projects will enable the Company to cater to a wider geographical area.

According to the provisional figures for FY12, Net Sales stood at ₹ 1726.88 crores, growing at 8% y-o-y. EBITDA margin improved to 15.1% and PAT margin to 6.6%. ACCIL has a Net Worth of ₹ 770.97 crores and total borrowings of ₹ 1379.63 crores.

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