

Rating Rationale

Asiatic Colour Chem Industries Ltd.

Brickwork Ratings revised the Rating for the Bank Loan facilities of ₹ 60.00 Crore of Asiatic Colour Chem Industries Ltd. based on best available information, as the issuer did not cooperate.

Particulars :

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (July,2019)	Present
Fund Based	37.00	37.00	Long Term	BWR BBB- (Stable)	BWR BB+ (Stable) (Downgraded) Issuer not cooperating*
Non-Fund Based	23.00	23.00	Short Term	BWR A3	BWR A4+ (Downgraded) Issuer not cooperating*
Total	60.00	60.00	₹ Sixty Crores Only		

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities are provided in Annexure-I.

RATING ACTION /OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in July, 2020 and BWR took up with the client to provide the required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. Also, BWR followed up with the banker several times, which remained unanswered.

On account of inadequate information, lack of management cooperation and an irregularity in submission of monthly NDS (No Default Statements) by the Company, BWR is unable to assess the Company's performance and its ability to service its debt and maintain a valid rating.

Hence, the rating for bank loan facilities (Long Term & Short Term) of the company have been downgraded at BWR BB+/A4+ (Stable) based on the best available information, and migrated to the "Issuer Not Cooperating" category.

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 the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholdings of the information required for a review of the rating.

COMPANY PROFILE

Incorporated in the year 1995, ACCIL is a closely-held public limited company. ACCIL is engaged in manufacturing and exports of Synthetic Organic (SO) Dyes (mainly Acid Dyes) which are primarily used in the leather industry. ACCIL also manufactures reactive dyes for textiles, on requests from clients. The Company's manufacturing unit and the corporate office are located in Ahmedabad. The company is a 100% export oriented unit.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Applicable

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawn/suspended ratings)

S.No	Facility	Current Rating (2020)#			Rating History		
		Type	Amount (₹ Crs)	Rating	19July2019	2018	2017
1	Fund Based	Long Term	37.00	BWR BB+ (Stable) (Downgraded) Issuer not cooperating*	BWR BBB- (Stable)	BWR BBB+ (Stable) Issuer not cooperating*	-
2	Non-Fund Based	Short Term	23.00	BWR A4+ (Downgraded) Issuer not cooperating*	BWR A3	BWR A3 Issuer not cooperating*	-
	Total		60.00	₹ Sixty Crores Only			

* Issuer did not cooperate, based on best available information.

Rating not reviewed advisory issued on 20 July 2020.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

For any other criteria obtain hyperlinks from website

- General Criteria
- What constitutes non cooperation?

Analytical Contacts	Investor and Media Relations
<p>Kunjali Dabhi Rating Analyst B :+91 79 66174046 / 47 kunjali.r@brickworkratings.com</p> <p>Dileep Singh Director - Ratings B :+91 79 66174046 / 47 dileep.s@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

1860-425-2742

Asiatic Colour Chem Industries Ltd.

ANNEXURE I

Details of Bank Facilities rated by BWR in July, 2019

Sl.No.	Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
1	State Bank of India	<p>Fund Based EPC/PCFC/FBD/EBR Stand-by Line of Credit (SLC) Cash Credit/(WCDL Sublimit)</p>	<p>33.00</p> <p>4.00</p> <p>(15.00)</p>	<p>-</p> <p>-</p> <p>-</p>	37.00

2	State Bank of India	Non-Fund Based Letter of Credit Bank Guarantee (Sublimit of LC) CEL	-	22.00 (1.00) 1.00	23.00
		Total	37.00	23.00	60.00

Total ₹ Sixty Crores Only.

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