

BWR/BLR/HO/SRC/RR/2530/2020-21

08 Jul 2020

The Managing Director
Archidply Industries Limited
 29/2, G.K. Manor, 1st Floor, Nehru Nagar Circle
 Seshadripuram, Bengaluru - 560020.

Dear Sir,

Sub: Review of Ratings of Bank Loan Facilities of Archidply Industries Limited aggregating Rs. 81.57 Crs. (Rupees Eighty One Crores and Fifty Seven Lakhs Only)

- Ref:** 1. Your mandate dated 07Jun2018
 2. Our previous rating letter: BWR/BLR/HO/SRC/RR/0567/2020-21 dated 28Apr2020
 3. Our previous rating letter: BWR/BLR/HO/SRC/RR/3949/2019-20 dated 05Nov2019

On a review of Archidply Industries Limited's performance based on the information and clarifications provided by you, and as available in public sources, we wish to inform you that the ratings of Archidply Industries Limited's Bank Loan Facilities of Rs. 81.57 Crores (Rupees Eighty One Crores and Fifty Seven Lakhs Only) have been removed from the Credit Watch with Developing Implications in view of the completion of the Scheme of Arrangement between the Company and the Archidply Decor Limited and reaffirmed, as follows:

Facilities**	Amount (Rs. Cr)		Tenure	Ratings*	
	Previous	Present		Previous (April 2020)	Present
Fund Based					
Cash Credit^	70.00	54.00	Long Term	BWR BBB Credit Watch with Developing Implications	BWR BBB/Stable Removed from Credit Watch and Reaffirmed
Term Loans	8.66	8.07			
Bill Discounting	2.00	-	Short Term	BWR A3+ Credit Watch with Developing Implications	BWR A3+ Removed from Credit Watch and Reaffirmed
Non-fund Based					
Letter of Credit^	36.00	15.00			
Bank Guarantee	6.00	4.50			
Total	122.66	81.57	Rupees Eighty One Crores and Fifty Seven Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings **Annexure I shows details of credit facilities. ^Two way interchangeability between Bank of Baroda CC and LC limits to the extent of Rs. 10.00 Crs.



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BWR has resolved the Credit Watch after assessing the impact of the Scheme on the demerged company's business risk and financial risk profiles and obtaining other updates. Accordingly, the ratings are reaffirmed for the revised bank loan facilities of the demerged Archidply Industries Limited, post Scheme.

BWR notes that AIL has availed the relief under the RBI moratorium package announced on 27Mar2020 with its lenders and its scheduled payments to the lenders have been deferred in the interim, with the approval of the lenders. BWR would not be considering such non-payments as default for the time being. As part of the moratorium package, the company has got relief for term loan instalments and Cash Credit interest payment from SBI during both Moratorium 1.0 and 2.0 while with Bank of Baroda, the moratorium relief has been received for Cash Credit interest payment for Moratorium 2. While formal communication of approval is yet to be received by the company from its lenders till date for either Moratorium 1.0 or Moratorium 2.0, the bankers have confirmed that the benefits have been extended to the company. BWR will continue to monitor the developments and analyse the impact, if any, on the company's credit profile.

The Ratings are valid as specified in our earlier rating letter BWR/BLR/HO/SRC/RR/3949/2019-20 dated 05Nov2019 and subject to terms and conditions that were agreed in your mandate dated 07Jun2018 and other correspondence, if any and Brickwork Ratings' standard disclaimer appended at the end of this letter. The rated bank loan facilities would be under surveillance during the said period. You are required to submit information periodically as per Annexure II for the purpose of surveillance/review. You are also required to keep us informed of any information/development that may affect your Company's finances/performance without any delay. **You are also requested to submit No Default Statement on a monthly basis.**

We are also enclosing the Rating Rationale. Kindly acknowledge.

Best Regards,

Rajee R
Senior Director - Ratings
Brickwork Ratings India Pvt Ltd.

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

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.

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Annexure-I: Details of Bank Facilities

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs Cr)	Short Term (Rs Cr)	Total (Rs Cr)
1	SBI, South Extension Branch, New Delhi	Cash Credit	40.00	-	40.00
2		Term Loan	8.07	-	8.07
3	Bank of Baroda, CFS Branch, Bengaluru	Cash Credit*	14.00	-	14.00
4		Letter of Credit*	-	15.00	15.00
5		Bank Guarantee	-	4.50	4.50
TOTAL - Rupees Eighty One Crores and Fifty Seven Lakhs Only					81.57

*There is two way interchangeability between Bank of Baroda sanctioned CC and LC limits to the extent of Rs. 10.00 Crs.

Annexure-II

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly/Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/default in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of March, June, September and December each year.
9. Information on delays/default in servicing of debt obligations of any subsidiary/other group companies, if any, as at the end of March, June, September and December each year.
10. Any other statement/information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com