August 21, 2020

Facor Alloys Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based Bank Facility (Cash Credit)	10.72	10.72	[ICRA]D; withdrawn
Long-term Fund-based Bank Facility (Bill Discounting)	0.40	0.40	[ICRA]D; withdrawn
Long-term Fund-based Bank Facility (Overdraft)	2.30	2.30	[ICRA]D; withdrawn
Long-term/Short-term Unallocated Limits	49.48	49.48	[ICRA]D/[ICRA]D; withdrawn
Total	**62.90**	**62.90**	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the ratings of [ICRA]D/ [ICRA]D outstanding for the Rs. 62.90-crore bank lines of Facor Alloys Limited (FAL). The ratings have been withdrawn in accordance with ICRA's policy on the withdrawal and suspension of credit ratings, at the request of the company, and based on the No Due Certificates issued by the lenders. ICRA does not have adequate information to suggest that the credit risk has changed since the time the rating was last reviewed.

The last detailed rating rationale can be found here.

Key rating drivers and their description

Not applicable

Liquidity position

Not applicable

Rating sensitivities

Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

FAL, incorporated in May 2004 as a part of a restructuring scheme sanctioned to Ferro Alloys Corporation Limited (FACOR), manufactures ferrochrome. Its manufacturing unit, having an installed capacity of 72,500 tonne per annum (TPA), is located in Garividi, district Vizianagaram (Andhra Pradesh).

In FY2020, the company reported a net profit of Rs. 10.3 crore on an operating income of Rs. 291.4 crore, compared to a net profit of Rs. 12.0 crore on an operating income of Rs. 361.0 crore in the previous year.

Key financial indicators (audited)

	FY2019	FY2020
Operating Income (Rs. crore)	361.0	291.4
PAT (Rs. crore)	12.0	10.3
OPBDIT/OI (%)	7.9%	(1.9%)
PAT/OI (%)	3.3%	3.5%
Total Outside Liabilities/Tangible Net Worth (times)	0.9	0.5
Total Debt/OPBDIT (times)	2.7	(2.2)
Interest Coverage (times)	2.1	(1.5)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					21-Aug-20	30-Aug-19	31-May-18	-
1	Cash Credit	Long Term	10.72	NA	[ICRA]D; withdrawn	[ICRA]D	[ICRA]D	No rating change
2	Bill Discounting	Long Term	0.40	NA	[ICRA]D; withdrawn	[ICRA]D	[ICRA]D	No rating change
3	Overdraft	Long Term	2.30	NA	[ICRA]D; withdrawn	[ICRA]D	[ICRA]D	No rating change
4	Unallocated Limits	Long Term/ Short Term	49.48	NA	[ICRA]D/ [ICRA]D; withdrawn	[ICRA]D/ [ICRA]D	-	-
5	Unallocated Limits	Long Term	-	-	-	-	[ICRA]D	No rating change
6	Letter of Credit	Short Term	-	-	-	-	[ICRA]D	No rating change
7	Bank Guarantee	Short Term	-	-	-	-	[ICRA]D	No rating change
8	Forward Contracts	Short Term	-	-	-	-	[ICRA]D	No rating change

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	10.72	[ICRA]D; withdrawn
NA	Bill Discounting	NA	NA	NA	0.40	[ICRA]D; withdrawn
NA	Overdraft	NA	NA	NA	2.30	[ICRA]D; withdrawn
NA	Unallocated Limits	NA	NA	NA	49.48	[ICRA]D/[ICRA]D; withdrawn

Source: Facor Alloys Limited

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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