

March 27, 2020

Technico (India) Private Limited: Rating moved to issuer Non-Cooperating category, Ratings downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based Limit – Term Loan	6.14	6.14	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to ‘Issuer Not Cooperating’ category
Fund Based Limit – Cash Credit	4.50	4.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to ‘Issuer Not Cooperating’ category
Non-fund Based Limit- Bank Guarantee	19.67	19.67	[ICRA]A4; ISSUER NOT COOPERATING*; Rating moved to ‘Issuer Not Cooperating’ category
Untied Limits	4.69	4.69	[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable)/[ICRA]A4 and moved to ‘Issuer Not Cooperating’ category
Total	35.00	35.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Technico (India) Private Limited’s performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by the rated entity”. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Technico (India) Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Incorporated in 1979, TIPL primarily undertakes turnkey contracts for setting up fire detection and protection systems. TIPL’s operations comprise designing, manufacturing, installing and maintaining of fire detection and protection systems, primarily in industrial units. TIPL has an extensive experience and specialisation in setting up fire detection and

protection system for various power units and steel-manufacturing units. The company has two manufacturing facilities located in Bhubaneswar and Kolkata, though most of the operations are carried out in the Kolkata unit at present.

Key financial indicators:

	FY2018*	FY2019*
Operating Income (Rs. crore)	57.3	62.0
PAT (Rs. crore)	1.3	1.6
OPBDITA/OI (%)	8.0%	8.1%
RoCE (%)	11.7%	11.7%
Total Outside Liabilities/Tangible Net Worth (times)	2.9	2.7
Total Debt/OPBDITA (times)	5.1	4.0
Interest Coverage (times)	2.1	2.0
DSCR	1.7	1.9

*Source: - MCA

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					27-Mar-2020	18-Sep-2018	10-Apr-2017	-
1	Cash Credit	Long Term	4.50	-	[[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[[ICRA]BB- (Stable)	[[ICRA]BB- (Stable)	-
2	Term Loans	Long Term	6.14	-	[[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[[ICRA]BB- (Stable)	[[ICRA]BB- (Stable)	-
3	Bank Guarantee	Short Term	19.67		[[ICRA]A4; ISSUER NOT COOPERATING	[[ICRA]A4	[[ICRA]A4	-
4	Untied Limits	Long Term/ Short Term	4.69		[[ICRA]B+ (Stable)/ [[ICRA]A4; ISSUER NOT COOPERATING	[[ICRA]BB- (Stable)/ [[ICRA]A4	[[ICRA]A4	-

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	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	4.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term Loans	-	-	-	6.14	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	-	-	-	19.67	[ICRA]A4; ISSUER NOT COOPERATING
NA	Untied Limits	-	-	-	4.69	[ICRA]B+ (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING

Source: Technico (India) Private Limited

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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