

May 03, 2024

## Kumar Arch Tech Private Limited: Rating moved to Issuer Non-Cooperating Category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term: Fund-based/Working capital limits	20.00	20.00	[ICRA]BBB(Stable); ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Long-term: Fund-based – Term loan	10.00	10.00	[ICRA]BBB(Stable); ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Short-term: Non-fund based	32.00	32.00	[ICRA]A3+; ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Long-term / Short-term: Unallocated	68.00	68.00	[ICRA]BBB(Stable)/[ICRA]A3+; ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
<b>Total</b>	<b>130.00</b>	<b>130.00</b>	

<sup>^</sup>Instrument details are provided in Annexure-1 \*Issuer did not cooperate; based on best available information.

### Rationale

ICRA has moved the ratings for the bank facilities of Kumar Arch Tech Private Limited (KATPL) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BBB(Stable)/[ICRA]A3+; ISSUER NOT COOPERATING".

As a part of its process and in accordance with its rating agreement with KATPL, 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 the aforesaid policy of ICRA, the company's rating has been moved to the 'Issuer Not Cooperating' category. The rating action has been taken in accordance with ICRA's policy on non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Policy in respect of Non-cooperation by a rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financial statements of KATPL.

### About the company

Incorporated in 1998, Kumar Arch Tech Private Limited, is involved in PVC/WPC-extrusion board manufacturing. It supplies premier quality PVC board and WPC board, along with other products in both domestic and export markets under the brand name ECHON. The company offers a wide range of products, which include building materials, doors and frames, PVC floorings, signage materials and PVC-based decorative articles.

The company has three ISO 9001-2008 and 14001-2004 certified operational units in Gudli Industrial Area, Udaipur, with an aggregate installed capacity of 18,000 MTPA. KATPL plans to set up a new facility with an installed capacity of 6,500 MTPA which is likely to commence operations from H2 FY2025. The expansion is expected to be funded through its internal accruals.

### Key financial indicators (Audited)

	FY2022	FY2023
Operating income (Rs. crore)	262.6	417.2
PAT (Rs. crore)	15.1	62.9
OPBDIT/OI (%)	9.1%	21.9%
PAT/OI (%)	5.7%	15.0%
Total outside liabilities/Tangible net worth (times)	1.7	0.8
Total Debt/OPBDITA (times)	1.2	0.3
Interest coverage (times)	10.0	31.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years		
		Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2023 (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				May 03, 2024	-	Feb 20, 2023	Nov 30, 2021
1 Fund-based Working capital limits	Long term	20.0	-	[ICRA]BBB(Stable); ISSUER NOT COOPERATING	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Fund-based Term loans	Long term	10.0	8.1	[ICRA]BBB(Stable); ISSUER NOT COOPERATING	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3 Non-fund based Working capital limits	Short Term	32.0	-	[ICRA]A3+; ISSUER NOT COOPERATING	-	[ICRA]A3+	[ICRA]A3+
4 Unallocated limits	Long term/ Short-Term	68.0	-	[ICRA]BBB(Stable)/ [ICRA]A3+; ISSUER NOT COOPERATING	-	[ICRA]BBB (Stable)/ [ICRA]A3+	[ICRA]BBB (Stable)/ [ICRA]A3+

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based – Working capital limits	Simple
Fund-based – Term loans	Simple
Non-fund based – Working capital limits	Very Simple
Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Working capital limits	NA	NA	NA	20.00	[ICRA]BBB(Stable) ; ISSUER NOT COOPERATING
NA	Fund-based – Term loans	FY2021-FY2022	7.9-9.2%	FY2027	10.00	[ICRA]BBB(Stable) ; ISSUER NOT COOPERATING
NA	Non-fund based – Working capital limits	NA	NA	NA	32.00	[ICRA]A3+ ; ISSUER NOT COOPERATING
NA	Unallocated limits	NA	NA	NA	68.00	[ICRA]BBB(Stable)/ [ICRA]A3+; ISSUER NOT COOPERATING

Source: Company; ICRA Research

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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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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For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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