

# Rapicut Carbides Limited

## Regd. Office & Works :

119, GIDC Industrial Area,  
Ankleshwar - 393 002, Gujarat (India)  
Tel. : ++91 (2646) 251118, 221071  
e-mail : info@rapicutcarbides.com  
Web site : www.rapicutcarbides.com



Rapicut

An ISO 9001 CERTIFIED COMPANY

CIN : L28910GJ1977PLC002998

PAN No. AAACR8753N

Listing/Corporate Relationship Dept./  
Market Operations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001.

REF: RCL:KMS:BSE-CARE RATING/17:

Date: 31/10/2017

**Sub: Rating for Rs. 8.85 Crores Long Term and Short Term Facilities  
(Fund Based and Non Fund Based Limits).**

Ref: Scrip Code: 500360

Dear Sir,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with point no. (3) of Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find below Credit Ratings for Bank facilities issued by Credit Analysis & Research Limited (CARE):-

Facilities	Amount (Rs. Crore)	Ratings*	Remarks
Long Term Bank facilities	0.40	CARE BBB; Stable (Triple B; Outlook: Stable)	Revised from CARE BBB – (Triple B Minus)
Short Term Bank Facilities	3.75	CARE A3+ (A Three Plus)	Reaffirmed
Long Term / Short Term Bank Facilities	4.70	CARE BBB; Stable/CARE A3+ (Triple B; Outlook: Stable/A Three Plus)	Long-term rating revised from CARE BBB- (Triple B Minus) and Short-term rating reaffirmed at CARE A3+ (A Three Plus)
Total Facilities	8.85 (Rupees Eight Crore and Eighty Five Lakhs Only)		

In support of the above, please find attached rating letter from CARE.

This is for your kind information and record.

Thanking you,

Yours faithfully,

For RAPICUT CARBIDES LIMITED

Kamlesh M Shinde  
(Company Secretary)



Encl: As above.

**Subject:** Rating Rational and Press Release\_Rapicut Carbides Limited  
**From:** "Sajni Shah" <sajni.shah@careratings.com>  
**Date:** 30-10-2017 11:52  
**To:** accounts@rapicutcarbides.com  
**CC:** chintan.soni@careratings.com, "Sarthak Thaker" <sarthak.thaker@careratings.com>

Dear Sir,

Kindly find attached copy of Rating Rational of Rapicut Carbides Limited. Hard copy will be sent shortly.

Thanks & Regards,  
Sajni Shah | Analyst



**CARE Ratings Ltd**  
(Formerly known as Credit Analysis & Research LTD)  
32- Titanium, Prahladnagar Corporate Road,  
Prahladnagar, Satellite, Ahmedabad - 380015.  
Tele: +91-79-4026 5656 (Board); +91-79-40265683 (Direct)  
      : +91-9662549687 (Mobile)  
Fax: +91-79-4026 5657  
[www.careratings.com](http://www.careratings.com)

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**CARE Ratings Celebrates 25<sup>th</sup> Year of Analytical Excellence.**

**Credit Analysis & Research Ltd. has been awarded The Financial Express CFO Platinum Award (1st rank in services category for companies with turn-over of less than 500 crores).**

Attachments:

RR-PR\_Rapicut Carbides Limited.pdf

2.1 MB



CARE/ARO/RR/2017-18/1413

Mr. J.C. Bhatia  
Director  
Rapicut Carbides Limited  
Ground Floor,  
119, GIDC Industrial Area,  
Ankhleshwar – 393002  
Gujarat

October 24, 2017

Dear Sir,

Credit rating of Rapicut Carbides Limited for the Bank Facilities of Rs.8.85 crore

Please refer to our letter dated September 29, 2017, on the above subject.

1. The rationale for the ratings is attached as an **Annexure - I**.
2. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



Chintan Soni  
[Manager]

Encl.: As above

CARE Ratings Limited  
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE: 4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
Tel.: +91-22-6754 3456 • Fax: +91-22-6754 3457  
Email: care@careratings.com • www.careratings.com

32, Titanium, Prahaladnagar Corporate Road  
Satellite, Ahmedabad - 380 015  
Tel: +91-79-4026 5656 • Fax: +91-79-4026 5657

CIN-L67190MH1993PLC071691

**Rating Rationale**  
**Rapicut Carbides Limited**

Ratings

Facilities	Amount (Rs. crore)	Ratings*	Remark
Long Term Bank Facilities	0.40	CARE BBB; Stable (Triple B; Outlook: Stable)	Revised from CARE BBB- (Triple B Minus)
Short Term Bank Facilities	3.75	CARE A3+ (A Three Plus)	Reaffirmed
Long Term/ Short Term Bank Facilities	4.70	CARE BBB; Stable/ CARE A3+ (Triple B; Outlook: Stable/ A Three Plus)	Long-term rating revised from CARE BBB- (Triple B Minus) and Short-term rating reaffirmed at CARE A3+ (A Three Plus)
Total facilities	8.85 (Rupees Eight Crore and Eighty Five Lakhs Only)		

**Rating Rationale**

The revision in the long term rating assigned to the bank facilities of Rapicut Carbides Limited (RCL) is primarily on account of improvement in total operating income (TOI), profitability, improved solvency position, debt protection metrics and liquidity position during FY17 (FY refers to the period April 1 to March 31). The ratings also take into consideration experienced promoters, established track record of operations with diversified product mix and strong marketing and distribution network.

The ratings, however, remained constrained on account of its moderate scale of operations, susceptibility of profit margins to fluctuations in raw material prices and competition from imported products.

RCL's ability to increase its scale of operations further, maintain healthy profit margins while managing raw material price fluctuations along with comfortable solvency position, debt protection metrics and working capital management remain the key rating sensitivities.

**Background**

Incorporated in 1977, RCL is a public limited company promoted by Mr. J. C. Bhatia. RCL commenced commercial production of tungsten carbide products such as metal cutting tips and inserts, special formed tips, wire drawing dies, integrated drill steel rods and tungsten metal and carbide powder in October 1979. RCL operates from its ISO 9001:2015 certified manufacturing facility located in Ankleshwar (Gujarat) having an installed production capacity of 150 MTPA of tungsten and tungsten carbide related products as on March 31, 2017. RCL's products find application in the mining, automobile, rock drilling, oil exploration and general engineering industries as cutting tools. Over the years, RCL has setup its marketing network across India and currently exports to South Africa, Australia, and Canada.



October 2017

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32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015  
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Details of Rated Facilities

• Long Term facilities

1. A. Rupee Term Loan

(Rs. Crore)

Sr. No.	Name of Bank	Sanctioned Amount	Rated Amount*	Debt Repayment Terms
1	State Bank of India	1.10	0.40	Repayable in 37 monthly instalments commenced from July 2016. Out of 37 instalments, 36 instalments of Rs 3.00 lakh each and last instalment of Rs.2.00 lakh
Total		1.10	0.40	-

\* O/s as on September 21, 2017. RCL availed disbursement of Rs.0.82 crore only.

Total Long-term bank facilities (1.A.): Rs. 0.40 crore

• Short Term facilities

1. A. Non-Fund Based Facilities

Sr. No.	Name of Bank	Nature of Facility	Amount (Rs. Crore)	Remarks
1.	State Bank of India	Letter of Credit	3.00	Interchange ability of Rs.0.30 crore between Letter of Credit and Bank Guarantee and vice versa Credit exposure limit (forward contract) worth Rs.0.25 crore within sub limit of Letter of Credit
2.		Bank Guarantee	0.75	
Total			3.75	

\*LC: Letter of Credit, BG: Bank Guarantee

Total Short-term bank facilities (2.A.): Rs. 3.75 crore

• Long Term/Short Term facilities

3. A. Fund-based Limits

(Rs. Crore)

Sr. No.	Name of Bank	Fund Based Limits		
		CC*	Others	Total fund-based limits
1	State Bank of India	4.70	-	4.70
Total		4.70	-	4.70

\*CC: Cash Credit

Total Long-term/ Short-term bank facilities (3.A.): Rs. 4.70 crore

Total Bank Facilities: Rs.8.85 crore

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

October 2017

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