



Rating Rationale

Biyani & Sons

21st April 2017

Brickwork Ratings upgrades the ratings for the Bank Loan Facilities of Rs. 5.93 Crs. of M/s Biyani & Sons

Particulars

Facility Rated	Amount (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous	Present
Fund Based (FB)					
Cash Credit	3.80	5.00	Long Term	BWR B (Pronounced BWR B) (Outlook -Stable)	BWR B+ (Pronounced BWR B Plus) (Outlook -Stable) (Revised)
Term Loan	1.39	0.93			
Total Limits	5.19	5.93	(INR Five Crores and Ninety Three Lakhs Only)		

1 Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Upgraded:

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials up to FY16 with sales growth for FY17, publicly available information and information/clarification provided by the management.

The ratings, derives strength from Biyani Group's extensive experience in the manufacturing electrical components, well-established brand name 'Kolors', increasing demand for the products which are the key components in growing automotive and electronic industries and growth in the profit margins. However, the rating is constrained by moderate scale of operations, high gearing level and its constitution as a proprietorship concern.

Going forward, the ability of the firm to increase its scale of operations, revenue, capital and improving gearing level would be the key rating sensitivities.



Rating Outlook: Stable

BWR believes the **Biyani & Sons.** business risk profile will be maintained over the medium term. The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

M/s Biyani & Sons was established in the year 2010 as a proprietorship firm by Mr. Mahesh P. Biyani. The firm’s manufacturing unit is located at Moginand, Himachal Pradesh. The firm belongs to Biyani Group which was established in 1989. The firm is into manufacturing of electrical wires and cables like PVC insulated copper wire, Multi core flat cables, telephone, TV Cable, Metal Box and Alt modular plate. It sells the product under the brand name ‘Kolors’.

Company Financial Performance

In FY16, the company has reported a Net sale of Rs. 18.69 crs against the sales of Rs. 17.09 crs in FY15. Net profit increased from Rs. 0.54 crs in FY15 to Rs. 1.55 crs in FY16. Tangible net worth reported at Rs.3.11 crs.

Rating History for the last three years

SI No	Facility	Current Rating (Year 2017)			Rating*		
		Type	Amount (Rs. Crs)	Rating	2016	2015	2014
Fund Based (FB)							
1	Cash Credit	Long Term	5.00	BWR B+ (Pronounced BWR B Plus) (Outlook -Stable) (Revised)	-	BWR B (Pronounced BWR B) (Outlook -Stable)	-
2	Term Loan		0.93				
	Total Limits		5.93	(INR Five Crores and Ninety Three Lakhs Only)			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short-Term-Debt](#)



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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.