

Rating Rationale

Brickwork Ratings on a review Reaffirms 'BWR D' for Long Term Bank Loan Facilities and Short Term Bank Loan Facilities aggregating to ₹ 136.14 Cr of ANG Industries Limited.

Brickwork Ratings on a review reaffirms the following **Rating**¹ for long term bank loan facilities and short term bank loan facilities aggregating to Rs. 136.14 Crores of ANG Industries Limited (ANG or Company).

Facility	Previous Limits (₹ In Cr)	Present Limits (₹ In Cr)	Tenure	Rating	Rating History
<u>Fund Based</u>	123.61	117.59	<i>Long Term</i>	BWR D (Pronounced BWR D)	BWR D (Pronounced BWR D (January 2014))
<u>Non Fund Based</u>	18.35	18.55	<i>Short Term</i>		
<i>Total</i>	141.96	136.14	(INR One Hundred Thirty Six Crores Fourteen Lakhs Only)		

BWR has principally relied upon the audited financial statements up to FY14, publicly available information and information / clarifications provided by the management.

The rating continues to factor the experienced promoters, association with Ashok Leyland and addition new products. However the rating continues to be constrained by delay in serving debt obligations in time, weak financial risk profile marked by losses, weak debt coverage ratio, working capital intensive nature of operations and high of competition.

Background:

ANG Industries Ltd incorporated as private limited company in the year 1991. Later on it was converted into a public limited company in 1994 having its registered office at Karol Bagh New Delhi. The company is accredited with ISO 9001:2000, QS 9000, ISO 14001:2004 and ISO/TS 16949:2002 certifications.

ANG Industries Limited is a diversified engineering and manufacturing Company with interest in heavy structural fabrication, tractor trailers, specialized containers and automotive components for heavy commercial vehicles. It also provides various services such as repairing,

¹ Please refer to www.brickworkratings.com for definition of the Ratings

management & business auxiliary services. The Company has a subsidiary in USA in the name of ANG Auto (USA) Inc and Joint Venture in Tower Worx India Pvt Ltd.

Management Profile:

The key management positions of the Company are handled by Mr. Premjit Singh, Mr. Manoj Gupta, Mr. Sanjay Garg and Mr. N B Chaudhary

Mr. Premjit Singh, Managing Director and Promoter, is a B. Tech and having vast experience in the line of business.

Mr. Manoj Gupta, Independent Director is chartered accountant and has an experience of more than two decades in the industry. He looks after finance and related matters of the Company.

Mr. Sanjay Garg, Independent Director is a chartered accountant with an experience of more than a decade in the industry.

Mr. N B Chaudhary, President is a B. E and looks after all new product developments, technical parameters of new products and quality matters.

Financial Performance:

Financial performance of the Company is characterized by volatile revenue, improvement in operating profitability margins and weak debt coverage. Total income has registered a year-over-year growth of ~12% to Rs. 162.67 Crores in FY14 from Rs. 145.31 Crores in FY13 mainly on account of increase in scale of operations. Operating profit has increased in absolute terms to Rs. 23.23 Crores against Rs. 17.03 Crores in FY13. OPBDIT margin had increased by 256 bps mainly due to better contribution of higher margin products in revenue. Net Losses has declined by 660 bps to 2.12 per cent in FY14 compared to 8.72 per cent in FY13.

The solvency position remained weak, on account of high borrowings. The overall capital structure of the Company has remained at similar range which is reflected in overall gearing of 1.73x as on FY14 against 1.49x as on FY13 due to increase in borrowing and deterioration in net worth on account of net loss.

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