

Rating Rationale

Brickwork Ratings assigns 'BWR D' for the Long-Term & Short-Term Bank Loan Facilities aggregating ₹ 141.96 Cr of ANG Industries Limited

Brickwork Ratings (BWR) has assigned the following **Ratings**¹ for the Bank Loan Facilities sanctioned to ANG Industries Limited (*ANG or Company*).

Facility	Tenure	Amount (₹ Cr)	Rating
<u>Fund Based</u>	Long Term	123.61	BWR D
<u>Non Fund Based</u>	Short Term	18.35	
Total		141.96 (INR One Hundred Forty One Crores & Ninety Six Lakhs only)	

BWR has principally relied upon the audited financial statements up to FY13, projection for FY14 & FY15, publicly available information and information / clarifications provided by the management.

The rating has factored, inter alia, restructuring of debt obligations towards various bank facilities & delay in serving debt obligations in time. The delay is mainly due to the stretched liquidity position of Company, Loss on foreign exchange & non-conversion of FCCB in 2010-11.

Background:

The Company was incorporated in the year 1991 .It was converted into a public limited company in 1994. 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 has also provides various services such as Repairing, Management and Business Auxiliary Services.

Management Profile:

Mr. Premjit Singh, Managing Director and Promoter is a B. Tech graduate and has 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 guides the Company on finance and related matters. 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.

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

Business Operations:

ANG Industries is an ISO 9001:2000, QS 9000, ISO 14001:2004 and ISO/TS 16949:2002 certified Company primarily involved in the automobile and power sectors. Company manufactures Heavy Structural Fabrication, Tractor Trailers, Specialized Containers and Automotive Components for Heavy Commercial Vehicles. Company has a subsidiary in USA in the name of ANG Auto (USA) Inc and Joint Venture in Tower Worx India Pvt. Ltd.

Financial Performance:

The revenue from operations has declined to Rs145.31 Cr in FY13 from Rs171.26 Cr in FY12 due to negative sentiments in automobile and power sectors. The operating profit margin has declined from 18.49% in FY12 to 11.72% in FY 13, due to reduction in revenue from fabrication unit. Current ratio of 1.14 in FY13 indicates inadequate liquidity position. Company's net-worth stood at Rs92.02 Cr as on 31st March 2013. The lender banks have restructured the loan facilities of the Company in an effort to help it tide over the financial crunch the Company is currently facing.

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