

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 10.40 Crores of Accufox Enterprises Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (28.06.2018)	Present
Fund based E.D.F.S Term Loan	8.00 0.50	10.00** 0.40	Long Term	BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable	BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable Reaffirmed
Total	8.50	10.40	INR Ten Crores Fourty Lakhs Rupees Only		

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

** Edfs Limit includes adhoc limit of Rs 2.00 crores.

Ratings: Long Term Rating Reaffirmed to BWR B+ with outlook Stable for the bank loan facilities of Accufox Enterprises Private Limited (the firm or the company).

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Company’s audited financial results upto FY18, Provisional FY19, Projections upto FY 21 and available information and clarification provided by the Company.

The ratings draw strength from the extensive experience of the promoters in the line of business, and Improvement in Revenues. The ratings, however, is constrained by Weak debt service Indicators, High Gearing level, and low current ratio..Going forward the ability of the Company to improve its Debt Service Indicators, Improvement in Gearing level by improving their net worth ,and Improvement in current ratio would be the key rating sensitivities.

Description of Key Rating Drivers

Credit Strengths:

1. **Experienced Promoters and Track Record of Business:** The promoters of the company has rich experience of more than Thirty years in the Business. The firm has limited track record of more than 2 Years but experience of promoters helps them to maintain a better healthy relations with their customers and suppliers.
2. **Improvement in Revenues ;** The Company revenues has improved from Rs 3.95 crores in FY18 and it has further improved to Rs 22.44 crores in FY19 (Provisional). And further projected to achieve revenues of Rs 29.90 crores in FY20 (Projected).

Credit Weakness:

1. **Weak Debt Service Indicators :** The company has weak debt service indicators with Interest Service Coverage Ratio of (3.08) Times and Debt Service Coverage Ratio of (1.35) Times in FY18, However it has further improves to 1.25 Times and 1.29 Times in FY19 (Provisional).
2. **High Gearing Level :** The company has high gearing level with TOI/TNW of 5.59 Times in FY18, and it has further improved to 4.39 Times due to infusion of equity.
3. **Low Current Ratio :** The company has low current ratio of 1.01 Times in FY18, However it has improved to 1.22 Times in FY19 (Provisional).

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Support from Holding/Subsidiary Firm:

The company has nil associate concerns or subsidiary concerns.

Liquidity

The Company has Cash & Bank Balances of Rs 0.41 crores in FY18. Current ratio was at 1.01 times in FY18. Average working capital utilization for the six months period (January 2019 to June 2019) is 97%. The conversion cycle has been high of 2739 days due to high days inventory of 2801 days and days inventory of 167 days in FY18. It has further improved to 129 days in FY19 (Provisional). The Company



ISCR at (3.08) times and Debt Service Coverage Ratio of (1.35) Times as on March 31 2018. The company has nil long term debt.

Rating Outlook: *Stable*

BWR believes the **Accufox Enterprises Private Limited** 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

Accufox Enterprises Private Limited ,incorporated in 03/08/2017 and operations started from February 2018 , is a private limited company with its official address at Rudrapur (Uttarakhand). The company is managed by both directors Mr Basant Ballabh Bhatt and Mr Rajeev Tiwari. The Company has franchise of PC Jewellers and is engaged in all kinds of Jewellery and precious stones. As per confirmation from client outlet is in the franchise name of PC Jeweller.

Company Financial Performance

Total operating income (TOI) of the Company has improved from Rs 3.95 Cr in FY18 to Rs 22.44 Cr. in FY19 (Provisional). PAT has improved from Rs (0.28) Cr in FY18 to Rs. 0.05 Cr in FY19 (Provisional).

Key Financial Indicators

Key Parameters	Units	2018 (A)	2019 (Provisional)
Result Type			
Operating Revenue	₹ Cr	3.95	22.44
EBITDA	₹ Cr	(0.32)	1.10
PAT	₹ Cr	(0.28)	0.05
Tangible Net worth	₹ Cr	1.86	2.46
TOL/Tangible Net worth	Times	5.59	4.39
Current Ratio	Times	1.01	1.22

Rating History for the last three years

S.No	Instrument /Facility	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2018	2017	2016
	Fund Based E.D.F.S Limit Term Loan	Long Term	10.00 0.40	BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable Reaffirmed	BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable	NA	NA
	Total		10.40	Ten Crores Fourty Lakhs ₹ Only			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments
Any other information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)

For any other criteria obtain hyperlinks from website

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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