Press Release

Brickwork Ratings assigns the Ratings 'BWR BBB-' for long-term and 'BWR A3' for short-term Bank Loan Facilities of ₹ 52.31 Cr of Adlec Systems Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following Ratings[1] for the Bank Loan Facilities of ₹ 52.31Crores of Adlec Systems Pvt. Ltd.

Proposed Facility	Tenure	Amount (₹ Cr)	Rating
Fund Based / Working Capital Limits	**Long Term**	**20.00**	**BWR BBB-** (BWR Triple B Minus) **(Outlook – Stable)**
Fund Based Term Loan		**12.31**	
Non Fund Based BG/LC Limits	**Short Term**	**20.00**	**BWR A3** (BWR A Three)
Total		**₹ 52.31 (INR Fifty Two Crores Thirty One Lakhs only)**	

The rating has factored, inter alia, the promoter's experience, the team of professionally qualified individuals, the growth in revenue and the operating margins, ISO 9001 & ISO 14001 certifications, the increase in the projected FY13 profitability margins and its performance based on data provided by the Company as of 15th March 2013. However the rating is constrained by the high cash conversion cycle, the highly leverage and intense competition in the market place**.**

Adlec Systems Pvt Ltd (ASPL) was incorporated in 1995 at Mundka, Delhi by Mr Uttam Chand Surana. The Company manufactures custom built Electrical Switchboards & Solutions. Around 4.5% of the companies' revenue is also generated through services and some trading activities. It is an ISO 9001 & ISO 14001 Certified company

ASPL is mainly into manufacturing of industrial electrical and custom built low voltage electrical switchboards/control panel. The company has its manufacturing facilities in Mundka, Delhi; Bahadurghar, Haryana and Rohad, Haryana. Presently ASPL's ISO 9001 & ISO 14001

[1] ***Please refer to BWR website www.brickworkratings.com for definition of the Ratings***

infrastructure includes three state-of-the-art work plants in Delhi & Haryana, and the up-to-date equipment. Adlec operates a fully integrated 23,000 square meter manufacturing facility, including a fully computerized sheet metal shop with CNC turret punch presses, shearing, bending and welding facilities. The Company has fully automatic surface treatment cum powder coating facility that ensures paint durability even for the most adverse applications and geographical areas.

The revenue from operations has increased from ₹ 101.49Crores in FY11 to ₹ 126.49 Crores in FY12. The Operating margins show an increasing trend from the past three years from 8.77% in FY10 to 10.53% in FY12. The firm's tangible net worth stands at ₹ 28.06Crores with equity of ₹ 3.37Crores as on 31st March 2012. The receivable days are high for the company. The company has to manage its liquidity well.

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The ability of the company to reduce the cash conversion cycle, improve working capital management and sustain the growth achieved in a competitive and fragmented electrical equipment industry. Sustaining the flow of contract orders and meeting the funding requirement for the same remains the key sensitivities.

Analyst Contact	**Relationship Contact**
analyst@brickworkratings.com	**bd@brickworkratings.com**
Phone	**Media Contact**
1-860-425-2742	**media@brickworkratings.com**