

Press Release

Brickwork Ratings assigns 'BWR BBB- (SO)' & 'BWR A3' for the Bank Loan Facilities aggregating ₹ 6.22 Cr of Aerospace Processing India Private Limited

Brickwork Ratings (BWR) has assigned the following **Ratings¹** for the Bank Credit Facilities of ₹ 6.22 Cr of Aerospace Processing India Private limited

Facility	Amount (₹ Cr)	Tenure	Rating
Term Loan	3.22	Long Term	BWR BBB- (SO) (BWR Triple B Minus (Structured Obligation) (Outlook: Stable)
Cash Credit	2.5		
Letter of Credit	0.25	Short Term	BWR A3 (BWR A Three)
Bank Guarantee	0.25		
Total	6.22		

BWR has essentially relied upon the audited financials up to FY2102-13, projections up to FY 2015-16, management discussions, publicly available information and clarifications provided by the firm.

Background:

APIPL was incorporated on July 2, 2007 but commenced operations in 2009. APIPL is a joint venture between QuEST Global Manufacturing Private Limited(QGMPL) and Magellan Aerospace Corporation. The company is engaged in business of surface treatment, surface analysis, heat treatment, vacuum hardening, vacuum precipitation, vacuum brazing and electron beam welding of aerospace, automotive, industrial and engineering components in commercial, military and space sectors.

Parent Profile:

Magellan Aerospace Corporation is an integrated leader selling products and services in the global aerospace industry. For the year ended 31.12.2012, MAC's revenues stood at ₹ 4016.10 Cr and net profits at ₹ 332.28 Cr. The net worth of the company as on 31.12.2012, was at ₹ 1906.74 Cr (converted @ 1 CAD = 57 INR). QGMPL was set up in 2006 as an offshoot of QuEST Global Engineering. It is a qualified manufacturer of complex parts, sheet

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

metal and assemblies for the aerospace industry . The Total Net Worth of the company stood at ₹ 34.82 Cr as on 31.03.2013.

Performance:

APIPL recorded a 46% increase in net sales from ₹ 4.02 Cr in FY2011-12 to ₹ 5.87 Cr in FY2012-13. During FY2012-13, around 80 per cent of the Firm’s revenue was accounted by deemed exports and imports accounted for 64% of its total raw material cost. The Firm’s PAT was at ₹ 0.02 Cr in FY2012-13 as against loss of ₹ 1.13 Cr in FY2011-12. The Firm’s tangible net worth recorded an increase of 71% from ₹ 3.04 Cr in FY2011-12 to ₹ 5.23Cr in FY2012-13 because of the regular equity infusion by the promoters over the years. Total borrowings of the Firm stood at ₹ 4.99 Cr as on March 31, 2013 as against ₹ 6.96 Cr in FY2011-12.

Rating Outlook:

The Firm’s ability to increase its scale of operations along with improvement in profitability margins, its ability to manage inventory levels, and continued support from its parent companies would be the key rating sensitivities.

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