



## Rating Rationale

Anamika Conductors Pvt. Ltd.

26th December 2017

Brickwork Ratings reaffirms ratings for the short term bank loan facilities of Anamika Conductors Pvt. Ltd.

### Particulars

Facility Rated	Previous Review Amount (Rs. Crs)	Current Review Amount (Rs. Crs)	Tenure	Previous Rating	*Current Rating Assigned
<b>Fund Based</b> CC	<b>36.00</b>	<b>36.00</b>	<b>Long Term</b>	<b>BWR BBB-</b> (pronounced as BWR Triple B Minus) <b>Outlook : Stable</b>	<b>BWR BBB-</b> (pronounced as BWR Triple B Minus) <b>Outlook : Stable</b>  <b>Reaffirmed</b>
<b>Fund Based</b> SLC	<b>14.00</b>	<b>14.00</b>			
<b>Fund Based</b> Term Loan (o/s)	<b>2.42</b>	<b>0.66</b>			
<b>Non Fund Based</b> ILC	<b>30.00</b>	<b>30.00</b>	<b>Short Term</b>	<b>BWR A3</b> (pronounced as BWR A Three)	<b>BWR A3</b> (pronounced as BWR A Three)  <b>Reaffirmed</b>
<b>Non Fund Based</b> BG	<b>35.00</b>	<b>55.00</b>			
<b>Total</b>	<b>117.42</b>	<b>Rs 135.66 Crores (INR One Hundred Thirty Five Crore and Sixty Six lakh Only)</b>			

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings.



**BWR has reaffirmed Long Term rating of BWR BBB- (Outlook: Stable) and reaffirmed Short Term rating of BWR A3 for loan facilities of Anamika Conductors Pvt. Ltd.**

**Rationale/Description of Key Rating Drivers/Rating sensitivities:**

While assigning the ratings of Anamika Conductors Pvt. Ltd. (ACPL or 'the company'), BWR has factored in the company's solvency position, debt protection metrics, liquidity position, profit margins, promoters experience, receivables position in FY17. The ratings draw comfort from experienced promoters, good turnover till 7MFY18, moderate analyzed net worth and analyzed gearing, besides adequate current ratio. The ratings are, however, constrained by thin profit margins and deterioration in debtor receivables.

**Key Rating Strengths:**

- **Experienced Promoters:** Key Promoters have more than 2 decades of experience in the same line of business.
- **Good Turnover till 7MFY18:** As per provisional financial data for 7MFY18, the company has achieved the turnover of Rs 157.03 Cr and is expected to achieve its projections for FY18.
- **Gearing:** Gearing ratio (TOL/TNW) of the company is within the industry standards and considering unsecured loan, as quasi equity at 50%, analyzed gearing would be 2.13 times.
- **Moderate net worth:** Net worth of the company is Rs 38.02 crore; however, considering quasi equity conservatively at 50% from promoters' long term borrowings, net worth would be Rs 50.25 crore in FY17, which is adequate for this scale of operations.
- **Current ratio:** Company has adequate current ratio at 1.36x in FY17 implying that company has moderate ability to pay short-term and long-term obligations.

**Credit Weakness:**

- **Declined profit margins:** Company's net profit margin has declined from 1.84% in FY16 to 0.99% in FY17, and operating profit margin has declined from 9.56% in FY16 to 8.78% in FY17.
- **Elongated receivables days:** Trade payables less than 6 months has increased from Rs 58.83 Cr in FY16 to Rs 76.84 Cr., resulting in increase in receivables days from 92 days in FY16 to 104 days in FY17.



### **Analytical Approach:**

BWR has factored in the standalone business parameters and financial risk profile of the company to arrive at the rating. Reference may be made to the Rating Criteria hyperlinked below.

### **Rating Outlook: Stable**

BWR believes the *Anamika Conductors Pvt. Ltd.*'s 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**

Anamika Conductors Pvt. Ltd. (ACPL) was incorporated on December 15, 1988 at Jaipur, Rajasthan, by Mr. Sharad Bakliwal. ACPL is engaged in the business of manufacturing of XLPE aerial bunched cables, ACSR/ AAC & AAAC multi-strand conductor up to 61 Strands, and XLPE insulated PVC sheathed heavy duty cables, used in electricity transmission & distribution.

### **Company's Financial Performance**

<b>Particulars</b>	<b>Units</b>	<b>FY2016 (Audited)</b>	<b>FY2017 (Audited)</b>
Net Sales/Revenue	Rs. Crores	<b>258.66</b>	<b>253.69</b>
EBIDTA	Rs. Crores	<b>24.73</b>	<b>22.27</b>
PAT	Rs. Crores	<b>4.76</b>	<b>2.52</b>
Tangible Networth	Rs. Crores	<b>35.49</b>	<b>38.02</b>
TOL : TNW Ratio	Times	<b>2.68</b>	<b>2.82</b>
Current Ratio	Times	<b>1.33</b>	<b>1.36</b>

Total operating income is stagnant and marginally declined from Rs 258.66 Cr in FY16 to Rs 253.69 Cr in FY17. PAT declined from Rs 4.76 Cr in FY16 to Rs 2.52 Cr in FY17.

**Rating History for the last three years: (including withdrawn/suspended ratings)**

S.No.	Instrument/ Facility	Current Rating (FY 2018)			Rating History		
		Type	Amount (Rs Crs)	Rating	FY2017	FY2016	FY2015
1.	CC	Long Term	36.00	<b>BWR BBB-</b> Outlook : Stable <b>Reaffirmed</b>	<b>BWR BBB-</b> Outlook : Stable	NA	NA
2.	SLC		14.00				
3.	Term Loan (o/s)		0.66				
4.	ILC	Short Term	30.00	<b>BWR A3</b> <b>Reaffirmed</b>	<b>BWR A3</b>		
5.	BG		55.00				
	<b>Total</b>		<b>Rs 135.66 Crores (INR One Hundred Thirty Five Crore and Sixty Six lakh Only)</b>				

*FY refers to the period from 1<sup>st</sup> April to 31<sup>st</sup> March each year*

**Status of non-cooperation with previous CRA (if applicable) – NA**

**Any other information - NIL**

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)



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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### **About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



## **DISCLAIMER**

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