



Rating Rationale

Angel Inc

12 March 2019

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 6.30 Crores of Angel Inc.

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based Cash Credit	6.30	Long Term	BWR B+ [Pronounced as BWR Single B Plus] Outlook:Stable
Non Fund Based Bank Guarantee	(5.00)*	Short Term	BWR A4 [Pronounced as BWR A Four]
Total	6.30	INR Six Crores & Thirty Lakhs Only	

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

*Bank Guarantee is the sub-limit of Cash Credit

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the firm's audited financial results upto FY18, publicly available information and the information/clarifications provided by the management.

The rating has factored, inter alia, promoter's experience in the business and the growing scale of operations. The rating is however, constrained by risk of sole proprietorship concern, low tangible net worth and the competitive & fragmented nature of industry.

Going forward, ability of the firm to increase its scale of operations, to improve its overall credit profile and to manage its working capital efficiently will be the key rating sensitivities.

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Description of Key Rating Drivers

Credit Strengths:

- **Experienced Management** - The sole proprietor is Mrs Pushpa Devi Chabra who has a Masters in Economics and an experience of 25 years in the area of distribution. She is supported by Mrs Satyajeet Singh one of the two key promoters of Angel Inc having an experience of 15 years in the field of sales & distribution. The second promoter being Mrs Preetjot Kaur who has an MBA in Public Relations and an experience of 8 years.
- **Growth In Scale of Operations** - The scale of operations has been improving on yearly basis as visible in FY18 to Rs 174.10cr from Rs 103.83cr in FY17.

Credit Risks:

- **Competitive & Fragmented Nature of Industry** - The industry is highly fragmented, with a large number of organized & unorganized players and the firm faces intense competition due to low entry barriers which limits pricing flexibility.
- **Low Tangible Net Worth** - The tangible net worth of the firm is relatively small at Rs 1.97cr in FY18 with marginal increase on yearly basis.
- **Sole Proprietorship constitution** - The inherent risks associated with sole proprietorship firm in terms of finance and management.

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).

Liquidity Profile:

The firm has no liquid investments and cash balances in FY18 is Rs. 0.37crs. The firm has CC utilisation of an average of 81% over the year, however the utilisation is uneven with approx 90 - 95% utilisation in some months. Conversion Cycle is at 37 days in FY18. The firm has no long term debt. The firm has no parent company or subsidiary. The current ratio of the firm stands at 2.39X in FY18



Rating Outlook: Stable

BWR believes that **Angel Inc** 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 Firm:

Angel Inc was established in 2014 to enter into e-commerce market, followed by channel distribution. The firm is into distribution of Telecom Products & is Reseller of Apple Inc Products. The firm is a distributor of Huawei(Honor) phones pan Rajasthan. It also owns and operates all Accord-Apple Authorised Reseller Store in Jaipur, Ajmer, Sri Ganganar and Bikaner. It is further working as an online partner for Apple products.

Firm’s Financial Performance:

The firm has earned a revenue & PAT of Rs 174.10cr & Rs 0.54cr in FY18 vis-a-vis Rs 106.25cr & Rs 0.58cr in FY17.

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	₹ Cr	174.10	106.25
EBITDA	₹ Cr	2.64	1.65
PAT	₹ Cr	0.54	0.58
Tangible Net worth	₹ Cr	1.97	1.68
Total Debt/Tangible Net worth	Times	8.60	10.87
Current Ratio	Times	2.39	1.15



Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2019)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2018	2017	2016
	Fund Based	Long Term	6.30	BWR B+ [Pronounced as BWR Single B Plus] Outlook:Stable	NA	NA	NA
	Non Fund Based	Short Term	(5.00)	BWR A4 [Pronounced as BWR A Four]	NA	NA	NA
	Total		6.30	₹ Six Crores & Thirty Lakhs Only			

Status of non-cooperation with previous CRA (if applicable)-NA
Any other information - NA

Hyperlink/Reference to applicable Criteria

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

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.

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