



Rating Rationale

Anil Electricals & Santary Goods Stores

28th June 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.14.00 Crs of Anil Electricals & Santary Goods Stores

Particulars

Facility Rated	Existing Limits (Rs. Crs)	Proposed Limits (Rs In Crs)	Total Limits(Rs In Crs)	Tenure	Rating *
Non Fund Based				Short Term	BWR A4+ (BWR A Four Plus)
Bank Guarantee	6.50	4.50	11.00		
Proposed Letter of Credit(LC)	0.00	3.00	3.00		
Total	6.50	7.50	14.00	INR Fourteen Crores Only	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financials up-to FY16, provisionals of FY17 certified by CA and publicly available information and the information/clarifications provided by the firm.

The rating draws strength from the experience of proprietor in executing electrical contract works , long track record of the firm , increased profit margins, low gearing with comfortable coverage indicators and satisfactory order book position. However, the ratings are constrained by small scale of operations, low tangible networth, working capital intensive nature of operations and competitive nature of the industry and inherent risk in the constitution of the firm being a proprietorship.

Going forward the firm has to manage higher networth to conform to the orders to be executed managing foreign currency price risk , looking for a higher revenues would be the rating sensitivities

About the firm

M/s Anil Electricals & Sanitary Goods Stores was established in year 1987 , located at Siddipeta, Telanagana. Mr. Srinivas , proprietor of the firm is having 30 years of expereince in executig

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electrical contract works. The firm is electrical contractor , engaged in planning, designing, installation, commissioning, inspection, erection, testing, maintenance, modification or repair, supply of material, etc of various electrical projects for government of Telangana and other state government organisation.

Firm Financial Performance

The firm reported a net revenue from operations of Rs. 15.01 Crores in FY15 and Rs. 20.20 Crores in FY16. Based on CA certified Provisionals of FY17, revenue is Rs. 23.10 Crs. Operating and net profit margins reported at 4.04% and 3.95% in FY16 as against 5.56% and 5.09% in FY15. As per CA certified Provisionals of FY17, the net profit margin is 5.09% and operating profit 6.91%.

Rating History for the last three years:

Sl. No.	Instrument/Facility	Type (Long Term/Short Term)	Current Rating (Year 2017)			Rating	Rating History		
			Amount(Rs Crs)				2016	2015	2014
			Existing (Rs In Crs)	Proposed (Rs In Crs)	Total Limits (Rs In Crs)				
1	Bank Guarantee	Short Term	6.50	4.50	11.00	BWR A4+	-	-	-
2	Letter of Credit(LC)		0.00	3.00	3.00				
Total			6.50	7.50	14.00	INR Fourteen Crores Only			

Hyperlink/Reference to Applicable Criteria

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

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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, 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

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.