

Rating Rationale

Anita International

22 Feb 2018

Brickwork Ratings revises the rating for the Bank Loan Facilities amounting to Rs. 30.00 Cr of Anita International.

Particulars:

Facility	Limits (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous Rating	Rating
Non Fund Based/Fund Based					
Letter of Credit/Buyer's Credit	30.00	30.00	Short Term	BWR A4 Pronounced BWR A Four	BWR A4+ Pronounced BWR A Four Plus [Upgrade]
Fund Based					
Cash Credit	(5.00)	(5.00)	Long Term	BWR BB- Pronounced BWR Double B Minus (Outlook – Stable)	BWR BB Pronounced BWR Double B (Outlook – Stable) [Upgrade]
Total	30.00	30.00		INR Thirty Crores Only	

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

Rationale/Rating Sensitivities:

BWR has principally relied upon the audited financials upto FY17, projected financial statements up to FY19, publicly available information and information/clarifications provided by the Firm.

The rating has, inter alia, factored in the considerable increase in sales, moderate capital and considerable improvement in debt protection metrics. The rating is, however, constrained by overall small scale of operation, stretched conversion cycle owing to stretched liquidity position.

Going forward scaling up of business, meeting projections and ensure timely servicing of debt would be the key rating sensitivities.

Key Rating Drivers:

Increase in scale of operations: Sales increased to Rs. 59.43 Crs in FY17 as against Rs. 34.74 Crs in FY16. Also on provisional basis, the Firm has achieved sales of Rs 48.57 Crs during first 9 months of operating of FY18

Moderate capital level:- Capital of the firm stood at Rs. 34.19 Crs as on 31st March 2017 keeping leverage under comfortable levels. TOL/TNW of the firm stood at 0.91 times as on 31st March 2017

Stretched liquidity position: The company has elongated conversion cycle of 113 days. Also as indicated by the current ratio of 1.17 times, the company is facing liquidity issues which can be a cause of concern in the short run.

Rating Outlook: Stable

BWR believes that **Anita International'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 Firm is able to collect receivables promptly to improve the overall liquidity position. The rating outlook may be revised to 'Negative' if the liquidity position deteriorates any further.

About the Firm:

M/s Anita International was established on 04.01.94 by Shri Subhash Chander Kathuria who is the proprietor of the firm.

The firm is engaged in the business of import and reselling of various types of grades of ferrous and non ferrous items, ferrous alloys, plastic & PVC Raw Material, Paper, Yarn Dyes, Rubber Wood and other multiple items.

Firm's Financial Performance:

AI reported operating income of Rs.60.79 Crs. with a net profit of Rs.1.93 Crs. in FY17 against an operating income of Rs. 33.34 Crs. with a net profit of Rs. 0.81 Crs in FY16.

Key Financial Figures			
Particulars	Unit	FY16(Audited)	FY17(Audited)
Total Operating Income	Rs. Crores	33.34	60.79
EBITDA	Rs. Crores	-1.14	2.01
PAT	Rs. Crores	0.81	1.93
Proprietors Capital	Rs. Crores	25.09	34.19
Total Debt : Capital	Times	0.80	0.69
Current Ratio	Times	0.97	1.17

Rating History for the last three years:

Sl. No.	Facility	Current Rating (February 2018)			Rating History		
		Type	Amount (Rs Crs)	Rating	2017	2016 Nov	2015
1.	Fund Based	Long Term	(5.00)	BWR BB (Outlook – Stable) Upgrade	NA	BWR BB-	NA
2	Non Fund Based/Fund BAsed	Short Term	30.00	BWR A4+ Upgrade	NA	BWR A4	NA
Total			30.00	Rupees Thirty Crores Only			

Status of non cooperation with Previous CRA : Non Applicable

Any other information: Non Applicable

Hyperlink/Reference to Applicable Criteria:

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

- [Manufacturing Companies](#)

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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

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