



Rating Rationale

Anuj Electricals Pvt Ltd

17 Apr 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 20.00 Crores of Anuj Electricals Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based (Cash Credit)	20.00	Long Term	BWR BWR BB-(Pronounced as BWR Double B Minus) Outlook: Stable)
Total	20.00	INR Twenty 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 essentially relied upon the audited financial results up to FY17, provisional financial up to December 2017 and projections up to FY19, publicly available information and information/clarification provided by the company's management.

The ratings have factored inter alia the promoters' extensive experience in the relevant Industry, adequate liquidity position and moderate debt coverage ratios . However, the rating is constrained by thin profitability margins and weak capital structure

Description of Key Rating Drivers

- **Credit Strengths:**

- **Experience of the Promoters:** The promoters of the company have extensive experience in the same line of business.
- **Moderate debt coverage ratios:** Moderate debt coverage ratios indicated by ISCR at 2.12 times and DSCR at 1.11 times in FY17 owing to repayments of debts.
- **Adequate Liquidity Position:** Adequate Liquidity Position with current ratio at 2.02 times in FY17.



- **Credit Risks:**

- **Weak Capital Structure:** Weak Capital Structure indicated by total debt to equity ratio at 3.32times in FY17.
- **Thin Profitability Margins:** Thin profitability margins indicated by net profit margins of 2.24% in FY17.
- **Stretched Cash Conversion Cycle:** Stretched Conversion Cycle at 172 days due to high inventory days at 120 days in FY17.

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).

Rating Outlook: *Stable*

BWR believes the **Anuj Electricals Pvt Ltd** 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

Anuj Electricals Pvt Ltd is a Private company, incorporated on 14 April 2012 and the authorized distributors of M/S Polycab wires pvt ltd and is one of the leading manufacturer and dealers of leading companies like polycab, Legrand , DLink and Digilink. Anuj Electricals Pvt Ltd ranks 1309th in India and 270th in Maharashtra for its registered line of business. The company manufactures parts and accessories for electrical equipment such as particle accelerators, signal generators, mine detectors, etc. Nita Nitinkumar Kacharia, Reina Ramesh Jaisinghani, Aarti Tolaram Jaisinghani, Anuj Nitinkumar Kacharia, Nita Nitinkumar Kacharia and Nitinkumar Pravinchandra Kacharia are the directors of the company.

Company Financial Performance

During FY17, the company has achieved net sales of Rs.72.21crs and PAT of Rs.1.62crs as against net sales of 71.98crs and PAT of Rs.1.64crs in FY16. The company has reported Tangible Net worth of Rs.7.63crs with Total debt of 25.30crs in FY17.

As per the provisional financial up to Dec 2017, the company has achieved net sales of Rs.79.47crs versus the projections of Rs.120.00crs in FY18.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	2016	2015
	Fund Based	Long Term	15.00	BWR BB-	N/A	N/A	N/A
	Total		20.00	₹ Twenty Crores Only			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments

Any other information

Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	₹ Cr	72.21	71.98
EBITDA	₹ Cr	3.99	3.36
PAT	₹ Cr	1.62	1.64
Tangible Net worth	₹ Cr	7.63	6.01
Total Debt/Tangible Net worth	Times	3.32	4.33
Current Ratio	Times	2.02	1.87

Hyperlink/Reference to applicable Criteria

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



For any other criteria obtain hyperlinks from website

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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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.