

Press Release

Brickwork Ratings assigns 'BWR A-' & 'BWR A2+' for the Bank Loan Facilities amounting to ₹ 260 Cr of Arise India Ltd.

Brickwork Ratings has assigned the following **Ratings¹** for the Bank Loan Facilities amounting to ₹ 260 Cr of Arise India Ltd. Details of the Bank Loan Facilities is as in the table below:

Facility	Bank Name	Tenure	Existing Limits (₹ Cr)	Rating
Fund Based Limits	SBI	Long Term	98.75	BWR A- (BWR A Minus) (Outlook: Stable)
	Axis Bank		64.25	
	State Bank of Mysore		30.00	
	OBC		31.00	
	Dena Bank		26.00	
Non Fund Based Limits	SBI	Short Term	10.00	BWR A2+ (BWR A Two Plus)
Total Rated Limits			260.00 (INR Two Hundred Sixty Crores only)	

The rating has factored, inter alia, the long operating history of the Company, pan India presence of the Company with strong network of branches and dealers, comfortable debt protection metrics and overall improvement in the financial performance of the Company.

The rating, however, is constrained by high working capital requirements of the business and high degree of completion from various organised as well as unorganised players in the market for its different product segments. The Company's foray into mobile devices and televisions segment, which is an extremely competitive segment involving established brands, is also a matter of slight concern, since this is not an area of core competence for the Company.

Arise India Ltd, founded in 1984 by Mr. Avinash Jain, is a manufacturer of monobloc and submersibles pumps, inverters and batteries, and a trader of white goods, home and kitchen appliances such as gas & electrical geysers, R.O. systems and air conditioners. The Company has been awarded an ISO 9001- 2008 certification by BSI London (United Kingdom), wherein all the products of the Company are ISI Certified and have received various awards and licenses as well. The Company's product portfolio is well diversified and includes Machinery such as Self Priming Pump Set, Submersible Pump Set, Sewerage Pump Set;

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Energy Products such as Solar Products, Batteries, UPS, Inverters; Home Appliances, Kitchen Appliances, Mobile Devices, LED Lighting and many more. The Company also launched its wide range of LED TV sets in August, 2013. The Company sells all its products under the brand name 'ARISE'.

As of March 31, 2013, Mr. Avinash Jain held 45.21% of the stake in the Company, followed by Mrs. Sudesh Jain (30.55%), Mrs. Anju Jain (17.51%) and others (6.73%).

Net sales of the Company improved to ₹ 853.16 Cr in FY13 from ₹ 672.66 Cr in FY 12. The Company's EBITDA and EBIT margins stood at 8.93% and 8.63% respectively in FY13 when compared with 7.76% and 7.47% respectively in FY12. PAT margins were at 3.93% in FY13 Vs. 3.72% in FY12. Long term borrowings stood at ₹ 0.14 Cr in FY13 Vs. ₹ 0.16 Cr in FY12. Short term borrowings stood at ₹ 192.37 Cr in FY13 Vs. ₹ 164.72 Cr in FY12. Tangible net worth stood at ₹ 152.62 Cr in FY13 vs. ₹ 100.74 Cr in FY12. Therefore, total debt/ Tangible net worth improved to 1.26 times in FY13 vs. 1.64 times in FY12. For 1QFY14, the Company's turnover and Profit after tax stood at ₹ 242.98 Cr and ₹ 19.30 Cr respectively. As of 1QFY14, net worth and the total loan funds of the Company stood at ₹ 174.33 Cr and ₹ 216.53 Cr respectively.

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