

## Rating Rationale

### Brickwork Ratings assigns ratings for the Bank Loan Facilities aggregating ₹14.54 Cr of Devisons Infiniti Housewares Pvt. Ltd.

Brickwork Ratings has assigned the following **Rating<sup>1</sup>** for the Bank Loan facilities availed by Devisons Infiniti Housewares Pvt. Ltd (**‘DIHPL’ or the ‘Company’**):-

Facility	Tenure	Limits (₹ Cr)	Rating
Fund Based Cash Credit	Long Term	14.00	BWR BB- (Pronounced as BB Minus) (Outlook: Stable)
Fund Based Term Loan	Long Term	0.54	
<b>Total</b>		<b>14.54</b>	

BWR has essentially relied upon the audited financial statements up to FY15, projections for FY 16, FY 17 and FY 18, publicly available information and information/clarifications provided by the management.

The rating, inter alias, has factored in the established long track record of the company, promoter's extensive business experience, well established operations with its top customers, sufficient liquidity and high increase in revenue for FY15. However, the rating is constrained by a modest scale of operations, thin profit margins, relatively low net worth and intense competition from organized as well as unorganized players in the sector and high Inventory days.

#### Background:

Devisons Infiniti Housewares Pvt. Ltd.( DIHPL) was incorporated in 2008 by Mr. Umesh Salwan. DIHPL is engaged in the trading and manufacture of stainless steel housewares, used as kitchen and bathroom accessories, and other stainless sheet metal components such as dustbins and garbage management systems. DIHPL has its manufacturing unit located at Kundli, Haryana. DIHPL caters to reputed manufacturers of electrical home appliances as well to the requirements of the hospitality industry and hospitals.

#### Ownership-And-Management:

The Company is managed by Mr. Umesh Salwan, Director, having business experience of more than three decades. Mr. Salwan is supported by his son, Mr. Arpit Salwan (Director), having business experience of more than 8 years and his wife Mrs. Vinita Salwan (Director).

#### Financial-Performance:

The Company has posted a revenue of Rs. 47.62 Crs in FY 15 as against Rs. 33.79 Crs in FY 14, showing an increase of ~ 26%. The Company has reported a Net Profit of Rs. 0.16 Cr in FY15, as against Rs. 0.09 Crs in FY 14; the change in the profitability is mainly on account of high quantity of orders booked. The leverage of the company is reported at 5.83 times in FY15.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

The Operating Profit Margins stood at 3.07 % in FY15 as against 3.43 % in FY14. Current Ratio for FY15 stood at 1.49 times in FY15, reflecting sufficient liquidity for the Company.

**Rating-Outlook:**

The Rating outlook is expected to be stable in near term. Going forward, the ability of the Company to increase its scale of operations and order book position, achieve projected financial indicators, improve its profit margins and cash flow, and handle competition from both organized and unorganized sector would be the key rating sensitivities.

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