Rating Rationale

Hi Tech Lift Movers India Pvt Ltd

29.Mar.2019

Brickwork Ratings revises/reaffirms the ratings for the Bank Loan Facilities of ₹6.00 Crores of Hi Tech Lift Movers India Pvt Ltd ('HTLMIPL' or 'the Company')

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Nov 2017)	Present
Fund based	**5.00**	**5.00**	**Long Term**	**BWR B** (Pronounced as BWR Single B) **Outlook: Stable**	**BWR B** (Pronounced as BWR Single B) **Outlook: Stable Reaffirmed**
Non Fund Based	**1.00**	**1.00**	**Short Term**	**BWR A4** (Pronounced as BWr A Four**)**	**BWR A4** (Pronounced as BWr A Four**) Reaffirmed**
Total	**6.00**	**6.00**	**INR Six Crores Only**		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY18, publicly available information and clarifications as provided by the Company's management.

The rating reaffirmation factors in the promoters' business experience, operational track record of the Company, its order book position and moderate interest coverage ratio. The rating, however, is constrained by the small scale of operations of the Company, declined revenue, decreased profits, low networth and high receivables considering the revenue scale apart from intense competition from existing players.

The ability of the Company to enhance its scale of operations and increase profitability along with improve networth by infusing funds and manage its receivables efficiently will be the key rating sensitivities.

Description of Key Rating Drivers

Credit Strengths: Promoter of the Company. Mr. K Natarajn, has more than three decades of experience in the business. The Company, incorporated in 1992, has more than two decades of operational track record. The Company has an order book position of ₹29.79 Cr acquired during FY19. It has completed ₹12.63 Cr worth of work as on January 2019. The interest service capacity stands at 9.20 times in FY18**.**

Credit Risks: The scale of operation of the Company remains small with an average total operating income of ₹8.42 Cr in last three financial years. Total operating income of the Company has declined from ₹13.89 Cr in FY17 to ₹4.45 Cr in FY18 due to decreased orders, resulting in reduced operating profit from ₹1.16 Cr in FY17 to ₹0.68 in FY18 and net profit from ₹0.45 Cr in FY17 to ₹0.18 Cr in FY18. The Company has a networth of ₹5.11 Cr as at 31st March 2018. Receivables of ₹2.86 Cr in FY18 is high considering the revenue achieved.

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 **Hi Tech Lift Movers India 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

Hi Tech Lift Movers India Pvt Ltd was incorporated in the year 1992 by Mr. K.Natarajan. The company ventures into various fields like Civil Engineering construction works and Water supply works including laying, joining and testing of pipe line for pumping main water distribution including giving household connections.

Company Financial Performance

As per audited financials of FY18, the Company has achieved a total operating income of ₹4.45 Cr with an operating profit of ₹0.68 Cr and net profit of ₹0.18 Cr.

Rating History for the last three years

S.No	Facility	Current Rating (2019)			Rating History		
		Type	Amount (₹ Crs)	Rating	08.02.2019	07.11.2017	2016
1.	**Fund Based**	Long Term	5.00	**BWR B** (Pronounced as BWR Single B) **Outlook: Stable Reaffirmed**	**Rating not Reviewed**	**BWR B** (Pronounced as BWR Single B) **Outlook: Stable**	**Not Rated**
2.	**Non Fund Based**	Short Term	1.00	**BWR A4** (Pronounced as BWr A Four**) Reaffirmed**		**BWR A4** (Pronounced as BWr A Four**)**	
	Total		**6.00**	**₹ Six Crores Only**			

Status of non-cooperation with previous CRA - None
Any other information - Nil

Key Financial Indicators

Key Parameters	Units	FY18	FY17
Result Type		**Audited**	**Audited**
Operating Revenue	₹ Cr	4.45	13.89
EBITDA	₹ Cr	0.68	1.16
PAT	₹ Cr	0.18	0.45
Tangible Net worth	₹ Cr	5.11	4.93
Total Debt/Tangible Net worth	Times	1.65	0.62
Current Ratio	Times	1.64	2.52

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Infrastructure Sector
- Short Term Debt

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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 reason.

Annexure I

₹Cr

Name of the Bank	Name of Facilities	Tenure	Previous Amount	Present Amount
Bank of Baroda	Overdraft	Long Term	5.00	5.00
	Bank Guarantee	Short Term	1.00	1.00
Total			**6.00**	**6.00**