

## Rating Rationale

Lantec Technologies

03<sup>rd</sup> July 2017

**Brickwork Ratings reaffirms 'BWR BB (Outlook: Stable) / A4' ratings for the Bank Loan Facilities of Rs. 9.84 Cr of Lantec Technologies**

### Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating*	
	Previous	Present		Previous	Present
<b>Fund Based</b>					
Cash Credit	8.50	9.00	<b>Long Term</b>	BWR BB (Pronounced BWR Double B) [Outlook: Stable]	<b>Reaffirmed to BWR BB</b> (Pronounced BWR Double B) [Outlook: Stable]
Term Loan	0.66	0.24		BWR A4 (Pronounced BWR A Four)	
Cheque Purchase	0.10	0.10	<b>Short Term</b>		
<b>Total Fund Based</b>	9.26	<b>9.34</b>			
<b>Non Fund Based</b>					
Bank Guarantee	0.50	0.50	<b>Short Term</b>	BWR A4 (Pronounced BWR A Four)	<b>Reaffirmed to BWR A4</b> (Pronounced BWR A Four)
<b>Total Non Fund Based</b>	0.50	<b>0.50</b>			
<b>Total</b>	<b>9.76</b>	<b>Rs. 9.84 Crores Rupees Nine Crores and Eighty Four Lakhs Only.</b>			

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Audited financials of FY14 to FY16, Provisional FY17 and Projected Financials of Lantec Technologies (LT) of FY18, FY19 and FY20, publicly available information and information / clarification provided by the Company's management.

The ratings, inter alia, continues to reflect the long and established track record of the promoter in the business. However, the rating continues to be constrained by moderate scale of operations and stiff competition from local players. BWR also considered the working capital intensive nature of business, moderately leveraged capital structure, organisation structure and size of the firm which mainly constrain the ratings.

Going forward, the firm's ability to increase its revenue with efficient working capital management and further improving its profitability would be key rating sensitivities of the firm.

### Rating Outlook: Stable

BWR believes the **Lantec Technologies** 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

Lantec Technologies (LT) was established as a partnership firm on 25th Feb 2004 with four partners. Subsequently, two partners retired in 2010 and at present, the firm is managed by Mr. Santhosh George and Mrs. Susan Santhosh with equal profit sharing in the firm.

Lantec Technologies is engaged in the manufacturing of electrical control panels and its products are certified for its safety standard by Central Power Research Institute, Bhopal as well as Underwriters Laboratories, Denmark, an international certification organization which certifies the safety standard of the product. LT mainly supplies its product to industrial units as per their customized needs.

The manufacturing facility of the firm is located at Masat Industrial Estate (Silvassa, Dadra and Nagar Haveli) with an installed capacity of 1800 units p.a.. The product portfolio includes: HT Panels, LT Panels, Motor Control Centre, APFC Panels, AMF & Synchronizing Panels, PDBs, MLDBs, LDBs, RTDBs, Instrument Cum MIMIC Panels and Control Relay Panels.

### Company Financial Performance

The Firm's Net Sales increased to Rs. 26.70 Cr in FY16 from Rs. 20.05 Cr in FY15. The Firm has reported a PAT of Rs. 0.97 Cr for FY16 against a PAT of Rs. 0.64 Cr in FY15. Provisionally, the firm has reported a Net sales of Rs. 25.85 Cr

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs in Cr)	Rating	April 2016	2015	2014
1	Cash Credit	Long Term	9.00	Reaffirm to BWR BB (Outlook: Stable)	BWR BB (Outlook: Stable)	NA	NA
2	Term Loan		0.24				
3	Cheque Purchase	Short Term	0.10	Reaffirm to BWR A4	BWR A4		
4	Bank Guarantee		0.50				

## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [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](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors queries can be sent to [info@brickworkratings.com](mailto: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.

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