

Rating Rationale

Brickwork Ratings assigns 'BWR D' for the Bank Loan Facilities aggregating ₹ 5.86 Cr of Shri Vaijanath Industries Pvt Ltd

Brickwork Ratings (BWR) has assigned the following **Rating¹** for Bank Loan Facilities of Shri Vaijanath Industries Pvt. Ltd

Facility	Existing Limits(₹ Cr)	Tenure	Rating
Fund Based (FB)		Long Term	BWR D (Pronounced BWR Single D)
Cash Credit	1.85		
Term Loan	2.70		
WCDL	1.00	Short Term	
Non Fund Based (NFB)			
BG	0.31		
Total	5.86	INR Five Crores and Eighty Six Lakhs only	

BWR has principally relied upon the audited financial results up to FY13, projected financials, publicly available information and information/clarification provided by the company's management.

The rating has inter-alia factored the promoter's extensive experience and pre-order based nature of operation. The rating is however constrained by relatively moderate scale of operation, weak profitability indicators, working capital intensive nature of operation and its stretched capital structure.

Company Profile:

Shri Vaijanath Industries Pvt Ltd (SVIPL), incorporated in the year 2008, is engaged in the business of forging/manufacturing of gears and had started its commercial production during 2010. It has its own manufacturing facility in Kolahpur, Maharashtra. Total installed capacity of its manufacturing facility stands at 3240 metric tons per annum (MTPA). It has two Induction machines, heat treatment furnace, ISO furnace, 2-Ton Hammer and 1-Ton hammer installed at its facility in Kolahpur. SVIPL goes for the manufacturing after it receives customized orders from its customers. The product of the company finds application

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

in automobiles such as cars, trucks, tractors etc. SVIPL expanded further during FY12 and installed a 1-Ton Hammer with a capacity of 1560 MTPA.

Financial Performance:

The company’s revenue grew by approximately 54% to Rs 10.42 Cr in FY13 from Rs 6.78 Cr in FY12. However, as per the provisional financials of FY14, the firm has recorded the revenue of Rs 15.70 Cr. SVIPL had recorded an overall loss during FY13. Overall loss of the firm stood at Rs 0.61 Cr in FY13 as against the profit of Rs 0.07 Cr in FY12. As per the provisional financials of FY14, the firm has booked an overall loss of 0.65 Cr

Rating Outlook:

SVIPL has experienced promoters and pre-order based operation. However, the firm has stretched capital structure, moderate scale of operation and weak profitability indicators. Going forward, the ability of the company to improve its gearing level, revenue and profitability are the key rating sensitivities.

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