

Rating Rationale

Suich Industries Pvt. Ltd.

06th July 2017

Brickwork Ratings upgrades the ratings for the Bank Loan Facilities of Suich Industries Pvt. Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based					
Term Loan	9.08	5.31	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook: Stable
Cash Credit	15.00	15.00			
Non Fund Based					
Letter of Credit (Sub-limit of Cash Credit)	(7.00)	(7.00)	Short Term	BWR A4 (Pronounced as BWR A Four)	BWR A3 (Pronounced as BWR A Three)
Total	24.08	Rs. 20.31 Crores (Rupees Twenty Crores and Thirty One Lakhs Only.)			

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Note: Term Loan outstanding as on June 30, 2017

Rating Upgrade

Brickwork Ratings upgrades the long term rating to ‘BWR BBB-’ and short term rating to BWR A3 for the bank loan facilities of Rs. 20.31 Crores of Suich Industries Pvt. Ltd.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating has factored inter alia, promoters’ over a decade of experience in trading and manufacturing of mobile phone batteries and accessories, established relationship with suppliers and customers, year on year improvement in revenue, sound capital structure and adequate debt protection metrics. However the rating is constrained by moderate scale of operations, highly competitive industry with low entry barriers and exposure to foreign exchange risk as the company is importing raw materials from China. The ability of the company to scale up its operations, to manage its capital structure and to improve its profit margin in an intensely competitive industry will remain the key rating sensitivities.



Rating Outlook: Stable

BWR believes that the business risk profile of Suich Industries Pvt. Ltd. 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

Suich Industries Private Limited was incorporated in July, 2008 with registered office in New Delhi. The company was promoted by two brothers namely Mr. Gunnit Singh Allagh and Mr. Sanchit Allagh, who are the directors of the company. Initially the company was incorporated with the name “**Delhi Fone N Batteries Pvt. Ltd.**”. Subsequently the name of the company was changed to “**Suich India Pvt. Ltd.**” on October 15, 2012. Again on December 12, 2012, the company name was changed to “**Suich Industries Pvt. Ltd.**”. During the initial days of operations, the company was involved in trading of mobile phone accessories such as mobile phone batteries, mobile phone chargers, etc. At present the company is into manufacturing of mobile phone batteries (for Chinese mobile phones) with the name “**Everplus**”, “**Fusion**” and “**Fusion Power**”, power banks with the name “**Suich**”, mobile phone chargers, mobile phones with tie-up arrangement with Chinese mobile phone manufacturers namely “kgtel”, “Corn”, etc. and LED televisions with tie-up arrangement with Chinese TV vendors like Youku, Ismart, etc, to sell in India.

Company’s Financial Performance

Total operating income of the company has increased from ₹ 86.48 Cr in FY15 to ₹ 106.46 Cr in FY16. The company has reported operating profit margin of 9.34% and net profit margin of 2.66% in FY16 as against operating profit margin of 7.32% and net profit margin of 2.68% in FY15. The tangible net worth of the company stood at ₹ 27.63 Cr as on March 31, 2016.

On provisional basis, the company has achieved revenue of ₹ 135.79 Cr in FY17.

Disclosure: CRISIL has assigned the long term rating of CRISIL BB+/Stable and short term rating of CRISIL A4+ for total Bank Loan Facilities of Rs. 30 Crores in December 2015 and reaffirmed the ratings on June 15, 2017 by stating “Issuer not cooperating, based on best-available information; Rating Reaffirmed”.



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

Sl. No.	Instrument /Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	2016	2015	September 26, 2014
1	Term Loan	Long Term	5.31	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook: Stable	-	-	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable
2	Cash Credit		15.00		-	-	
3	Letter of Credit (Sub-limit of Cash Credit)	Short Term	(7.00)	BWR A3 (Pronounced as BWR A Three)	-	-	BWR A4 (Pronounced as BWR A Four)

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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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 Investors queries can be sent to 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.

DISCLAIMER

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