



Rating Rationale

Autobat Accumulator Pvt Ltd

5 Dec 2018

Brickwork Ratings upgrades the ratings for the Bank Loan Facilities of ₹.9.50 Crores of Autobat Accumulator Pvt Ltd.

Particulars

Facility Rated	Amount (₹. Cr)		Tenure	Rating*	
	Previous	Present		Previous (Aug, 2017)	Present
Fund Based (FB)					
Cash Credit	5.50	7.00	Long Term	BWR BB- (Pronounced as BWR Double B Minus) (Outlook -Stable)	BWR BB (Pronounced as BWR Double B) (Outlook -Stable) (Upgraded)
Term Loan	-	2.50			
WCDL	-	4.00			
Total Limits	5.50	9.50	(INR Nine Crores and Fifty Lakhs Only)		

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

Note- Previous rated amount of Rs 5.50 Crs from Bank of Maharashtra has been taken over by Kotak Mahindra Bank.

Ratings: Upgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials upto FY18 and projections upto FY19 and publicly available information and information/ clarifications provided by the management.

The rating takes into account the experience of the promoters and long relationship with the suppliers and customers, visible revenue growth and satisfactory debt coverage indicators. However, rating is constrained by moderate scale of operation, moderate gearing level and net worth, working capital intensive nature of business and cyclicity of the industry.



Going forward the ability of the company, to improve its gearing level and manage its working capital efficiently would be the key rating sensitivities.

Description of Key Rating Drivers

Credit Strengths:

Promoters have experience over a decade, relationship with some suppliers and customers is more than 5 years, Net operating revenue has increased from Rs.43.17 crs in FY17 to Rs.80.29 crs in FY18. Debt coverage is at 7.90X in FY18.

Credit Risks:

Moderate scale of operations, Gearing is increased to 1.11 times in FY18. Net worth is Rs 11.22 Crs as at 31.3.2018 Total debt is increased from Rs.4.19 crs in FY17 to Rs.12.48 crs in FY18. Company remains exposed to inherent cyclicity of the industry.

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 **Autobat Accumulator 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

Autobat Accumulator Pvt Ltd was incorporated in the year 2005 at Wadgaon, Pune for the manufacture and sale of industrial batteries, solar power batteries and automotive batteries. The products are sold under the brand name of 'Autobat'. AAPL's products line includes Tube Power battery, Invatower battery, Inva Power battery, Drive battery, E series battery and Motor cycle battery etc. AAPL is constituted by directors namely Mr. Hanumant V. Reddy, Mr. Ashok V. Reddy, Mr. Hanumant S. Kalagadi. Mr. Hanumant V. Reddy is the Managing Director of the company.



Company Financial Performance

Net sales has increased from Rs.43.17 crs in FY17 to Rs.80.29 crs in FY18. Tangible network stood at Rs.11.22 crs in FY18.

Rating History for the last three years

Si No	Facility	Current Rating (2018)			Rating History			
		Type	Amount (₹ Crs)	Rating	1.8.2017	7.3.2016	2015	3.9.2014
Fund Based (FB)								
1	Fund Based	Long Term	7.00	BWR BB (Pronounced as BWR Double B) (Outlook -Stable) (Upgraded)	BWR BB- (Pronounced as BWR Double B Minus) (Outlook -Stable)	BWR BB- (Pronounced as BWR Double B Minus) (Outlook -Stable)	Not Rated	BWR BB- (Pronounced as BWR Double B Minus) (Outlook -Stable)
			2.50					
			4.00					
	Total Limits		9.50	(INR Nine Crores and Fifty Lakhs Only)				

*Rating Not Reviewed was on 2.11 2018 **Status of non-cooperation with previous CRA)-not to our knowledge**
Any other information: nil



Key Financial Indicators

Key Parameters	Units	2017	2018
Result Type		Audited	Audited
Revenue	₹ Cr	43.17	80.29
EBITDA	₹ Cr	2.05	5.57
PAT	₹ Cr	0.78	3.38
Tangible Net worth	₹ Cr	7.84	11.22
Total Debt/Tangible Net worth	Times	0.53	1.11
Current Ratio	Times	2.00	1.55

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [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, 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

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