

Rating Report

Brickwork Ratings assigns 'BWR D' for Long Term and Short Term Bank Loan Facilities of ₹141.96 Crores of *ANG Industries Limited*

Brickwork Ratings (BWR) has assigned the following **Ratings¹** for the Bank Loan Facilities sanctioned to *ANG Industries Limited (ANG or Company)*.

Facility	Tenure	Amount (₹Cr)	Rating
<u>Fund Based</u>	Long Term	123.61	BWR D
<u>Non Fund Based</u>	Short Term	18.35	
Total		141.96	INR One Hundred Forty One Crores And Ninety Six Lakhs Only

BWR has principally relied upon the audited financial statements up to FY13, projection for FY14 & FY15, publicly available information and information / clarifications provided by the management.

The rating has factored, inter alia, restructuring of debt obligations towards various bank facilities and delay in serving debt obligations in time. The delay is mainly due to the stretched liquidity position of Company, Loss on foreign exchange and non-conversion of FCCB in 2010-11.

Background:

The Company was incorporated in the year 1991. It was converted into a public limited company in 1994. ANG Industries Limited is a diversified engineering and manufacturing Company with interest in Heavy Structural Fabrication, Tractor Trailers, Specialized Containers and Automotive Components for Heavy Commercial Vehicles. It has also provides various services such as Repairing, Management and Business Auxiliary Services.

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

Management Profile:

Mr. Premjit Singh, Managing Director and Promoter is a B. Tech graduate and has vast experience in the line of business. Mr. Manoj Gupta, Independent Director is Chartered Accountant and has an experience of more than two decades in the industry. He guides the Company on finance and related matters. Mr. Sanjay Garg, Independent Director is a Chartered Accountant with an experience of more than a decade in the Industry. Mr. N B Chaudhary, President is a B. E and looks after all new product developments, technical parameters of new products and quality matters.

Business Operations:

ANG Industries is an ISO 9001:2000, QS 9000, ISO 14001:2004 and ISO/TS 16949:2002 certified Company primarily involved in the automobile and power sectors. Company manufactures Heavy Structural Fabrication, Tractor Trailers, Specialized Containers and Automotive Components for Heavy Commercial Vehicles. Company has a subsidiary in USA in the name of ANG Auto (USA) Inc and Joint Venture in Tower Worx India Pvt Ltd.

Financial Performance:

The revenue from operations has declined to Rs 145.31 Crs in FY13 from Rs 171.26 Crs in FY12 due to negative sentiments in automobile and power sectors. The operating profit margin has declined from 18.49% in FY12 to 11.72% in FY 13 , due to reduction in revenue from fabrication unit. Current ratio of 1.14 in FY13 indicates inadequate liquidity position. Company's net-worth stood at Rs 92.02 Crs as on 31st March 2013 . The lender banks have restructured the loan facilities of the Company in an effort to help it tide over the financial crunch the Company is currently facing.

The financial details are in the annexures I & II

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ANNEXURE I – PROFIT & LOSS A/C

Particulars	31-03-2011	31-03-2012	31-03-2013
Result Type	Audited	Audited	Audited
Net Sales	149.59	163.88	140.24
Other Operating Income	6.80	7.38	5.07
Total Operating Income	156.39	171.26	145.31
Raw Material Consumed	115.06	103.96	95.59
Change In Inventory (Increase)/Decrease	(16.49)	0.53	(3.21)
Power and Fuel Expenses	5.21	5.23	5.38
Employee Cost	9.30	12.76	12.09
Manufacturing Expenses	4.19	3.90	5.86
Cost of Goods Sold	117.27	126.38	115.71
Selling, General and other Administrative expenses	13.64	10.80	12.57
Operating Expenses	133.07	139.60	128.28
OPBDIT	23.32	31.66	17.03
Depreciation	6.20	6.24	6.49
OPBIT	17.12	25.42	10.53
Interest and Finance Charges	14.95	21.56	22.71
OPBT	2.17	3.86	(12.18)
Non Operating Income(Expenses)	0.42	(1.32)	0.27
Profit Before Tax	2.59	2.54	(11.92)
Provision for Taxes	0.71	0.21	0.75
Profit After Tax	1.87	2.73	(12.67)

ANNEXURE II – BALANCE SHEET

Particulars	31-03-2011	31-03-2012	31-03-2013
EQUITY AND LIABILITIES	93.96	103.66	92.02
Share capital	12.54	13.59	15.32
Preference Share Capital/Quasi Equity	1.32	-	0.14
Share Application money Pending allotment	-	3.18	-
Reserves and Surplus	79.99	86.79	76.48
Minority Interest	0.11	0.10	0.09
Non-current liabilities	37.29	24.63	42.49
Long-Term Borrowings	33.81	21.56	38.66
Deferred tax Liabilities (Net)	3.48	3.07	3.82
Foreign Currency Monetary Item Translation Difference Account - Liability	0.07	0.27	0.16
Current liabilities	139.50	173.32	147.54
Short-Term Borrowings	89.33	114.50	89.16
Current Portion Of Long Term Debt	12.01	9.73	9.59
Trade Payables	33.89	43.90	41.24
Other Current Liabilities	1.48	0.91	2.83
Short-Term Provisions	2.78	4.29	4.73
Total Liabilities	270.81	301.88	282.21
ASSETS			
Non-current assets	124.65	115.14	114.00
Net Fixed assets	106.78	93.80	101.43
Capital Work-In-Progress	16.18	19.70	9.44
Net Intangible assets	0.02	0.01	0.00
Non Current Investments	-	-	1.50
Long Term Loans and Advances	1.66	1.63	1.63
Other Non Current Assets	-	-	-
Current assets	146.16	186.74	168.21
Current Investments	-	-	-
Inventories	86.50	96.26	93.62
Trade Receivables > Six Months	6.99	1.58	2.44
Trade Receivables < Six Months	20.73	49.92	33.88
Cash and Cash Equivalents	9.39	14.69	8.96
Short-Term Loans and Advances	18.88	19.74	24.19
Other Current Assets	3.67	4.55	5.13
Total Assets	270.81	301.88	282.21