

Rating Report

Brickwork Ratings assigns 'BWR B' & 'BWR A4' for Bank Loan facilities aggregating to INR 5.80 Crores of M/s Anup Insulation Pvt. Ltd.

Brickwork Ratings (BWR) has assigned following **Ratings¹** for Bank Loan facilities of M/s Anup Insulation Pvt Ltd (AIPL or The Company)

Facility	Existing Limits (₹ Cr)	Tenure	Rating
Cash Credit (Fund Based)	2.50	Long Term	BWR B <i>(Pronounced as BWR B)</i> Outlook: Stable
Term Loan (Fund Based)	0.30		
Letter of credit (Non Fund Based)	3.00	Short Term	BWR A4 <i>(Pronounced as BWR A Four)</i>
Total	5.80	INR Five crores and eighty lakhs only	

BWR has essentially relied upon audited financial results upto FY14 and Projected financials for FY15 and FY16, publicly available information and information/clarifications provided by the management of the Company.

The ratings draw strength from the experience of the promoters in manufacturing of insulating copper and aluminum wires , increase in revenue, improvement in operating and net profit margins,. However, the rating is constrained by small scale of operations, high gearing levels, thin profit margins, working-capital intensive nature of operations, high volatility in raw material prices and weak debt service coverage indicators.

Background

AIP was incorporated in the 2007 as a private limited company by Mr Anup Dhanuka and Mr Alok Dhanuka. The firm is engaged in the manufacturing of Electrical grade insulating paper, Kraft paper, paper covered insulating wires and super enamelled insulating wires The firm`s manufacturing facility is located at Bindayaka, Jaipur. AIPL has a total installed capacity to manufacture 750 MT per annum of copper wires and strips. The final product manufactured by

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

AIPL has its usage in power transformer manufacturing industry

Financial Performance

As per audited financials of FY14, the company has reported a total Operating Income of Rs.9.91 Crs in FY14 as against Rs.8.07 Crs for FY13. Profit after Tax (PAT) has increased to Rs.0.03 Cr in FY14 as against Rs.(0.19) Cr in FY13. The Operating margins have increased from 7.28 % in FY13 to 11.41 % in FY14, due to increased in operating efficiency. However, Net profit margins have shown marginal increase from (2.31) % in FY13 to 0.34 % in FY14, due to increased interest and finance costs. Tangible Net worth for FY14 stood at Rs 2.23 Crs

Rating Outlook

AIPL performance over the next year is expected to be stable. Going forward, the Company's ability to retain and increase the share capital, register consistent growth in turnover with an increase in profitability margins, efficient management of its working capital will be the key rating sensitivities.

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Annexure I: Summary of Profit & Loss Statement

Crores	31/Mar/ 2012	31/Mar/ 2013	31/Mar/ 2014	31/Mar/ 2015	31/Mar/ 2016
Result Type	Audited	Audited	Audited	Projected	Projected
Gross Sales	8.32	9.28	11.34	12.65	13.92
Excise Duty/Sales Tax	0.82	1.35	1.55	1.65	1.82
Net Sales	7.50	7.93	9.78	11.00	12.10
Other Operating Income	0.09	0.13	0.12	0.00	0.00
Total Operating Income	7.60	8.07	9.91	11.00	12.10
Operating Expenses	7.00	7.48	8.78	9.63	10.64
OPBDIT	0.60	0.59	1.13	1.37	1.46
Depreciation	0.08	0.09	0.11	0.11	0.11
OPBIT	0.52	0.50	1.02	1.26	1.34
Interest and Finance Charges	0.51	0.86	1.02	0.79	0.69
OPBT	0.01	-0.36	0.00	0.48	0.65
Non Operating Income(Expenses)	0.13	0.18	0.04	0.00	0.00
PBT	0.14	-0.18	0.04	0.48	0.65
PAT	0.11	-0.19	0.03	0.43	0.58

Annexure II: Summary of Balance Sheet

Crores	31/Mar/ 2012	31/Mar/ 2013	31/Mar/ 2014	31/Mar/ 2015	31/Mar/ 2016
Result Type	Audited	Audited	Audited	Projected	Projected
Liabilities					
EQUITY AND RESERVES					
Share capital	1.83	1.83	1.83	1.83	1.83
Preference Share Capital/Quasi Equity	0.00	0.00	0.00	0.00	0.00
Reserves and Surplus	0.55	0.36	0.40	0.83	1.41
Non-current liabilities					
Long-Term Borrowings	0.75	2.15	2.34	1.98	1.82
Current liabilities					
Short-Term Borrowings	3.55	1.80	2.42	2.50	2.50
Trade Payables	2.01	2.80	2.57	1.48	1.63
Short-Term Provisions	0.03	0.01	0.01	0.06	0.06
Total Liabilities					
	8.82	9.06	9.66	8.93	9.51
ASSETS					
Non-current assets					
Net Fixed assets	0.77	0.75	0.90	0.78	0.67
Capital Work-In-Progress	0.30	0.30	0.00	0.00	0.00
Non Current Investments	0.34	1.69	1.58	0.34	0.34
Long Term Loans and Advances	0.38	0.04	0.06	0.06	0.06
Current assets					
Current Investments	2.00	1.40	0.00	0.34	0.34
Inventories	0.44	1.65	1.76	1.91	2.10
Trade Receivables > Six Months	0.70	0.23	0.52	0.00	0.00
Trade Receivables < Six Months	3.22	2.01	3.94	4.51	4.96
Cash and Cash Equivalents	0.28	0.38	0.34	0.05	0.05
Short-Term Loans and Advances	0.23	0.42	0.39	0.00	0.00
Other Current Assets	0.14	0.17	0.18	0.93	0.98
Total Assets					
	8.82	9.06	9.66	8.93	9.51