



Press Release

Balaji Precision Tubes (India) Private Limited

June 20, 2018

Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 11.02 Cr.
Long Term Rating	ACUITE B- / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed long-term rating of '**ACUITE B-**' (**read as ACUITE B minus**) on the Rs. 11.02 crore bank facilities of Balaji Precision Tubes (India) Private Limited. The outlook is '**Stable**'.

Balaji Precision Tubes India Private Limited (BPTIPL) was established in the year of 2015 by Mr. Bipin Pralhad Jadhav and Mr. Nitin Prahlad Jadhav. The company is engaged in manufacturing of cold drawn welded (CDW) tube and electrically resistance welded (ERW) with the combined installed capacity of 1000 MT per month. The manufacturing facility is located in Raigad, district of Maharashtra.

Key Rating Drivers

Strengths

- **Experienced management:**

The directors of the company, Mr. Bipin Yadav and Mr. Nitin Yadav have more than a decade experience in similar line of activities through their group concerns.

Weaknesses

- **Small scale of operation**

The small scale of operation of the company, marked by revenue of Rs.0.33 crore in FY2017. The company has booked Rs. 6.58 crore in FY2018 (Provisional).

- **Below average financial risk profile:**

The average financial risk profile of the company is marked by its moderate net worth, high gearing and moderate interest coverage ratio and average debt protection measures. The networth of the company stood moderate at Rs.5.00 crore as on 31st March 2017 as compared to Rs.2.66 core in previous year. The gearing of the company stands high at 1.76 times as compared to 1.00 times in the previous year. Total debt of Rs 8.80 crore consist of long term debt of Rs 7.37 crore, Rs 0.36 crore is of unsecured loan and the balance is short term loan of Rs 1.00 crore from bank. Debt Service Coverage Ratio (DSCR) is at 1.84 times in FY2017. The interest coverage ratio of the company moderate at 1.91 times in FY2017.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the Balaji Precision Tubes (India) Private Limited to arrive at this rating.

Outlook: Stable

Acuité believes the outlook on Balaji rated facilities will remain stable over the medium term backed by its experienced management. The outlook may be revised to 'Positive' in case the improvement in financial risk profile. The outlook may be revised to 'Negative' in case of the company deterioration in its financial risk profile deteriorates.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)
Operating Income	Rs. Cr.	0.33
EBITDA	Rs. Cr.	0.01
PAT	Rs. Cr.	0.01
EBITDA Margin	(%)	4.04
PAT Margin	(%)	2.81
ROCE	(%)	0.22
Total Debt/Tangible Net Worth	Times	1.76
PBDIT/Interest	Times	1.91
Total Debt/PBDIT	Times	415.31
Gross Current Assets (Days)	Days	2710

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Apr-2017	Term Loan	Long Term	INR 7.42	ACUITE B-/ Stable
	Secured Overdraft	Long Term	INR 3.60	ACUITE B-/ Stable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	7.42	ACUITE B-/ Stable
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	3.60	ACUITE B-/ Stable

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About Acuité Ratings & Research:

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