

Press Release

Elektron Lighting Systems Private Limited

January 17, 2019

Rating Withdrawn



Total Instruments Rated*	Rs. 9.12 Cr.
Long Term Rating	ACUITE BB (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs. 9.12 crore bank facilities of Elektron Lighting Systems Private Limited (ESPL). The rating withdrawal is in accordance with the Acuite's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and No dues received from the banker.

ESPL, incorporated in 2001, is a New Delhi-based company led by Mr. Vikas Nagpal and Mrs. Anjana Nagpal. The company manufactures and supplies LED lights, street lights, tube lights and others. The group has bagged a tender of ~Rs.315.00 crore for renovation and replacement of lights at Aurangabad (Maharashtra).

Analytical Approach

For arriving at the ratings, Acuite has combined the business and financial risk profiles of ESPL and Paragon Cable India (PCI), together referred to as the Elektron Group. The consolidation is in view of the significant operational synergies and common ownership. Further, both the companies have jointly bid for tender in Aurangabad (Maharashtra).

About the group

The group was established in 1991 with the establishment of PCI as the flagship entity. Further in 2001, ESPL was incorporated. The promoters of the group possess experience of over two decades in the electrical engineering, procurement and construction industry. The group is engaged in the manufacturing of electrical component such as wires, cables and LED lights to name a few. PCI, established in 1991, is a New Delhi-based partnership concern led by Partners, Mr. Vikas Nagpal and Mrs. Anjana Nagpal. The firm is engaged in the manufacturing of electrical wires and cables. ESPL, incorporated in 2001, is a New Delhi-based company led by Mr. Vikas Nagpal and Mrs. Anjana Nagpal. The company manufactures and supplies LED lights, street lights, high way lights, panel lights and tube lights, among others. The group has bagged a tender of ~Rs.315.00 crore for renovation and replacement of lights in Aurangabad city.

About the Rated Entity Financials (Consolidated)

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	29.52	27.72	26.85
EBITDA	Rs. Cr.	1.08	1.83	1.73
PAT	Rs. Cr.	2.83	1.54	1.37
EBITDA Margin	(%)	3.66	6.60	6.44
PAT Margin	(%)	9.58	5.54	5.10
ROCE	(%)	14.62	12.80	13.61
Total Debt/Tangible Net Worth	Times	0.23	0.54	0.49

PBDIT/Interest	Times	4.21	2.40	2.17
Total Debt/PBDIT	Times	1.27	2.65	2.36
Gross Current Assets (Days)	Days	279	266	263

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

None

Any other information

None

Applicable Criteria

- Manufacturing Entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Infrastructure Entities-<https://www.acuite.in/view-rating-criteria-14.htm>
- Consolidation of Companies-<https://www.acuite.in/view-rating-criteria-22.htm>
- Financial Ratios and Adjustments- <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition- <https://www.acuite.in/view-rating-criteria-17.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. Crore)	Ratings/Outlook
18-Dec-2018	Cash Credit	Long Term	3.00	ACUITE BB (Indicative)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Indicative)
	Proposed long term loan	Long Term	0.12	ACUITE BB (Indicative)
14-Oct-2017	Cash Credit	Long Term	3.00	ACUITE BB/ Stable (Assigned)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Assigned)
	Proposed long term loan	Long Term	0.12	ACUITE BB/ Stable (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB (Withdrawn)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4+ (Withdrawn)
Proposed long term loan	Not Applicable	Not Applicable	Not Applicable	0.12	ACUITE BB (Withdrawn)

Contacts

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About Acuité Ratings & Research:

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