

Press Release

Madnani Engineerings Works

January 10, 2019



Rating Withdrawn

Total Instruments Rated*	Rs. 25.00 Cr.
Long Term Rating	ACUITE BB (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE BB**' (**read as ACUITE double B**) and short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) to the Rs. 25.00 crore bank facilities of Madnani Engineerings Works (MEW). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

MEW was incorporated as a partnership firm in 1991 by Mr. Manish Madnani and his wife. The company is engaged in manufacturing defense accessories, Solar Lightening solutions, Non Skid Snow Chains, kerosene Lanterns, heating equipment and solar power plant, Solar power Generator, Solar Lanterns and many others.

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of MEW to arrive at the rating.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	42.21	29.84	25.37
EBITDA	Rs. Cr.	3.62	2.18	1.43
PAT	Rs. Cr.	1.32	0.75	0.40
EBITDA Margin	(%)	8.58	7.31	5.64
PAT Margin	(%)	3.14	2.53	1.57
ROCE	(%)	17.79	16.88	16.88
Total Debt/Tangible Net Worth	Times	0.52	1.27	0.54
PBDIT/Interest	Times	1.74	1.77	1.78
Total Debt/PBDIT	Times	2.09	3.91	1.84
Gross Current Assets (Days)	Days	211	208	98

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>
- 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
10-Jul-2018	Cash Credit	Long Term	6.00	ACUITE BB /Stable (Assigned)
	Proposed Cash Credit	Long Term	6.00	ACUITE BB /Stable (Assigned)
	Bank Guarantee	Short Term	3.50	ACUITE A4+ (Assigned)
	Proposed Bank Guarantee	Long Term	4.50	ACUITE A4+ (Assigned)
	Proposed Letter of Credit	Long Term	5.00	ACUITE A4+ (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	6.00	ACUITE BB (Withdrawn)
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE A4+ (Withdrawn)
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE A4+ (Withdrawn)
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Withdrawn)

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Disha Parmar Analyst - Rating Operations Tel: 022-49294064 disha.parmar@acuiteratings.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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