

Press Release

Subtleweigh Electric India Private Limited (SEIPL)

October 23, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 10.00 Cr.
Long Term Rating	ACUITE B/ Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) to the Rs. 10.00 crore bank facilities of Subtleweigh Electric India Private Limited (SEIPL). The outlook is '**Stable**'.

Subtleweigh Electric India Private Limited (SEIPL) was incorporated in the year of 2003 by Mr. Krishna Baigpant and Mr. Mirza Jawed Baig. The company is engaged in industrial automation solution provider. The company has its registered office located at Kolkata, West Bengal.

Analytical Approach

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

Key Rating Drivers

Strengths

- **Experienced Management and long track record of operation**

The company has a long track record of over a decade in industrial automation industry. The long track record has helped the company to establish a healthy relationship with customers and suppliers.

Weaknesses

- **Moderate scale of operation**

The scale of operation of the company stood moderate at Rs. 22.01 crore in FY2018 as compared to Rs. 17.18 crore in previous year. The company has booked Rs.14.00 crore till September, 2018.

- **Below average financial risk profile**

The below average financial risk profile of the company is marked by low Networth, high gearing and moderate debt protection metrics. The net worth of the company stood low at Rs.1.86 crore in FY2018 as compared to Rs.1.54 crore in FY2017, mainly on account of retention of current year profit. The gearing of the company stood high at 4.17 times in FY2018 as compared to 4.74 times in FY2017. The interest coverage ratio (ICR) of the company stood moderate at 1.90 times in FY2018 as compared to 1.72 times in FY2017. The debt service coverage ratio (DSCR) of the company stood moderate at 1.83 times in FY2018 as compared to 1.82 times in FY2017. The net cash accruals against the total debt stand low at 0.08 times in FY2018 as compared to 0.09 times in previous year.

Outlook: Stable

Acuite believes the outlook on SEIPL will remain stable over the medium term backed by its experienced management and healthy relations with its customer and suppliers. The outlook may be revised to 'Positive' in case the company registers more than envisaged sales and profitability while efficiently managing its working capital cycle and improving its financial risk profile. The outlook may be revised to 'Negative' in case of the company fails to achieve envisaged revenue and profitability and its working capital cycle gets stretched or its financial risk profile deteriorates.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	22.01	17.18	23.49
EBITDA	Rs. Cr.	1.27	1.19	1.49
PAT	Rs. Cr.	0.29	0.25	0.32
EBITDA Margin	(%)	5.78	6.91	6.34
PAT Margin	(%)	1.30	1.48	1.35
ROCE	(%)	11.81	11.61	28.19
Total Debt/Tangible Net Worth	Times	4.17	4.74	5.15
PBDIT/Interest	Times	1.90	1.72	2.13
Total Debt/PBDIT	Times	5.43	5.28	3.77
Gross Current Assets (Days)	Days	237	224	152

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>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Service Sector - <https://www.acuite.in/view-rating-criteria-8.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Overdraft	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B/Stable
Proposed Overdraft	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE B/Stable
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4
Proposed Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4

Contacts

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