



Press Release
ELIXIR MET FORM PRIVATE LIMITED
May 23, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.00	ACUITE BB- Stable Upgraded	-
Bank Loan Ratings	11.00	-	ACUITE A4+ Upgraded
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded its long-term rating to ‘**ACUITE BB-**’ (read as **ACUITE Double B minus**) from ‘**ACUITE B+**’ (read as **ACUITE B plus**) and short term rating to ‘**ACUITE A4+**’ (read as **ACUITE A Four plus**) from ‘**ACUITE A4**’ (read as **ACUITE A four**) on the Rs.25.00 Cr. bank facilities of Elixir Met Form Private Limited (EMFPL). The outlook is ‘**Stable**’.

Rating Rationale for Upgrade

The rating upgrade factors in the migration from ‘Issuer not co-operating’ status. The rating factors in the moderation in the operating performance along with moderate financial risk profile. The rating also takes strength from the extensive experience of the promoters with long track record of operations and moderate financial risk profile of EMFPL. However, the rating is constrained due to working capital intensive nature of operations along with its presence in highly competitive and fragmented industry.

About the Company

Incorporated in 2005 Elixir Met Form Private Limited (EMFPL) is engaged in the manufacturing, engineering and installation of Roll Forming Sections (UPVC windows, Pre-painted steel windows and Door Frames) & undertaking civil construction project predominantly pre-engineered buildings of lightweight and heavyweight structures for commercial, industrial and residential purpose for clients across private sector, state government departments (mainly in the states of Telangana and Andhra Pradesh) and central government departments on tender basis. The Company has two manufacturing facilities, one in Hyderabad and one in Bonthapally Village, Medak District Telangana with total capacity of ~12000 units per month. The directors include Mr. Venkata Narasimha Raju Penmatcha, Mr. Karthik Penmatcha, Ms. Penmacha Krishna Kumari and Mr. Praneeth Penmatcha.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of EMFPL for arriving at the rating.

Key Rating Drivers

Strengths

Extensive experience of promoters and long track record of operations

Incorporated in 2005, EMFPL is promoted by Mr. P.V. Narasimha Raju along with his family members. Mr. P.V. Narasimha Raju is an engineer with nearly thirty-five years of industry experience. He oversees the business, along with his sons, Mr. P. Karthik, Mr. P. Praneeth, both are Postgraduates. All of them are actively involved in day-to-day operations of the entity. Acuite believes that EMFPL will continue to benefit from the extensive experience of its promoters and long track record of operations.

Moderation in operating performance

The revenue of the company has improved to Rs.69.05 crore in FY2024 as compared to Rs.49.53 crore in FY2023 and Rs.36.16 crore in FY2022. However, the revenue has declined in FY2025 (Prov.) to Rs.28.03 crore in FY25 due to the change in approach of selling only profiles instead of entire doors or windows along with company's five-year cycle, which aligns with election periods and cyclicity in end user industries. The order book position of the company stood at Rs.140 crore as on March 31, 2025 which gives revenue visibility in near to medium terms. The profitability margins remained range bound with EBITDA of 11.02 per cent in FY2024 as against 10.11 per cent in FY2023 and 13.63 per cent in FY2022 while PAT showed an upward trend and stood at 5.75 per cent in FY2024 against 4.22 per cent in FY2023 and 5.04 per cent in FY2022. Acuite believes that the operating performance of the company will improve steadily over near to medium terms on account of comfortable order book position.

Moderate financial risk profile

The financial risk profile of the company remained moderate due to moderate net worth, low gearing and comfortable debt protection metrics. The net worth of the company improved and stood at Rs.24.25 crore as of March 31, 2024, as against Rs.20.20 crore as of March 31, 2023. The improvement in the net worth is due to accretion of profits into reserves. The gearing of the company stood at 0.35 times in FY2024 as against 0.71 times in FY2023. The debt protection metrics of the company improved and stood comfortable with debt service coverage ratio (DSCR) at 3.49 times in FY2024 as against 2.46 times in FY2023 while the interest coverage ratio stood at 4.68 times in FY2024 as against 3.19 times in FY2023. The TOL/TNW stood at 0.67 times in FY2024, and NCA/TD stood at 0.56 times in FY2024. The FRP of the company is expected to remain moderate with Debt/Equity to remaining below unity along with comfortable debt protection metrics. The ICR are DSCR are expected to be in the range of 2.9 - 4.0 times and 1.7-2.5 times respectively for the period of 2025-2027.

EMFPL is undergoing a capex for expansion into door profiles from existing capacity of ~ 12000 units per month to ~30,000 units per month. The total project cost will be Rs.15 crore, comprising of Rs.6 crore for the land and the remainder for machinery. The project would be funded through a loan of Rs. 7.00 Cr. and rest through internal accruals. The capex is expected to complete by end of Q1FY27. Acuite believes, notwithstanding the benefits accrued from the capacity additions, the financial risk profile is likely to moderate to an extent owing to the debt funded capex plans however expected to remain comfortable over near to medium term.

Weaknesses

Working capital intensive operations

EMFPL's operations remained working capital intensive, marked by high GCA of 172 days in FY2024 as against 265 days in FY2023. The debtor days of the company stood at 138 days in FY2024 as against 141 days in FY2023 and inventory days of 24 days in FY2024 and 77 days in FY2023. The GCA days are expected to deteriorate further in FY25 due to high debtor days and inventory days. The fund-based bank limits utilisation for 6 months ended April 2025 stood at 87.30 per cent. Acuite believes, the operations of the company would remain working capital intensive due to high inventory holding.

Highly competitive and fragmented industry

The business segment in which EMFPL operates is a highly competitive space, with large number of organized and unorganized players. The high competition level also restricts the bargaining power of the players.

Rating Sensitivities

- Improvement in scale of operations and profitability
- Any changes in working capital operations of the company.
- Deterioration in financial risk profile owing to higher than expected debt funded capex

Liquidity Position Adequate

EMFPL has an adequate liquidity position marked by sufficient net cash accruals against its maturing debt obligations. The net cash accrual for FY2024 stood at Rs.4.71 crore against its maturing debt obligation of Rs.0.17 crore for the same period. Further the cash accruals are expected to be in the range of Rs.2.00 – Rs.5.00 crore against maturing debt obligation of less than Rs.1.00 crore. The current ratio stood at 2.47 times and the

cash and bank balance stood at Rs.0.03 crore. The fund-based bank limits utilisation for 6 months ended April 2025 stood at 87.30 per cent.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	69.05	49.53
PAT	Rs. Cr.	3.97	2.09
PAT Margin	(%)	5.75	4.22
Total Debt/Tangible Net Worth	Times	0.35	0.71
PBDIT/Interest	Times	4.68	3.19

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Mar 2025	Letter of Credit	Short Term	3.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	14.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Proposed Long Term Loan	Long Term	4.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
06 Dec 2023	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	14.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Proposed Long Term Loan	Long Term	4.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
19 Sep 2022	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	14.50	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	4.00	ACUITE BB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A4+ Upgraded (from ACUITE A4)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.80	Simple	ACUITE BB- Stable Upgraded (from ACUITE B+)
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A4+ Upgraded (from ACUITE A4)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.20	Simple	ACUITE BB- Stable Upgraded (from ACUITE B+)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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