



**Press Release**  
**ANAWIL WIRE AND ENGINEERING PRIVATE LIMITED**  
**September 27, 2024**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.50	ACUITE BBB-   Stable   Assigned	-
Bank Loan Ratings	45.50	ACUITE BBB-   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 45.50 Cr. bank facilities of Anawil Wire and Engineering Private limited(AWEPL). The outlook is '**Stable**'.

Further, Acuite has assigned its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 4.50 Cr. bank facilities of Anawil Wire and Engineering Private limited(AWEPL). The outlook is '**Stable**'.

**Rationale for reaffirmation**

The rating reaffirmation factors in AWEPL's healthy growth in operating income while maintaining high profitability margins over the last two years ending FY2024(Prov) along with reputed clientele. Further, the rating considers the healthy outstanding order book position reflecting moderate revenue visibility in the near to medium term. The rating also derives comfort from the company's moderate financial risk profile marked by moderate network, average gearing and healthy debt protection metrics, which is expected to further improve in the near term due to the gradual repayment of existing debt obligations and no major debt funded capex plans.

The rating, however, remains constrained on account of moderately intensive working capital operations and exposure to customer concentration risk.

**About the Company**

Anawil Wire and Engineering Private Limited (AWEPL), was incorporated in January 2021 and is engaged in heavy fabrication works. The company has three manufacturing plants in Karnataka, Valsad and Jharkhand. Heavy fabrication parts are manufactured in Karnataka,

Wire Mesh manufacturing is done in Jharkhand and Paper Machine manufacturing is done at Valsad. Currently the promoters are focusing on construction of wind mill towers. The company is promoted by Mr. Nimish Vashi who has over a decade of experience in fabrication work.

### **Unsupported Rating**

Not Applicable

### **Analytical Approach**

Acuité has considered the standalone business and financial risk profile of Anawil Wire and Engineering Private Limited(AWEPL) while arriving at the rating.

### **Key Rating Drivers**

## Strengths

### Improvement in operating performance backed by healthy order book

In FY2024 (Prov.), the company recorded a significant increase in revenue to Rs. 54.06 Cr. marking a 109.70 % increase compared to Rs. 25.78 Cr. in FY2023. This growth is primarily attributed to a significant surge in orders for windmills from a robust clientele, including prominent companies such as Suzlon Energy, and JSW Neo amongst others. As of Q1 2025, the company reported revenues of approximately Rs. 19.00 Cr. The company has consistently maintained a higher operating margin, which stood at 43.67% in FY2024(Prov.) against 49.70% in FY2023 and 34.04% in FY2022. The Profit After Tax (PAT) margin recorded a decline, to 10.04% in FY2024(Prov.), as compared to 20.25% in FY2023 and 27.46% in FY2022 primarily on account of higher depreciation and finance cost during the year. Further, the company has an outstanding order book position of ~Rs.227 Cr. reflecting moderate revenue visibility over near to medium term.

Going ahead, the ability of the company to improve its revenue while maintaining its profitability will remain key monitorable.

### Moderate Financial risk profile

The financial risk profile of the company is moderate marked by moderate network, average gearing and healthy debt protection metrics. The net worth of the company stood at Rs. 28.87 Cr. as on March 31st, 2024(Prov.), as against Rs. 23.43 Cr. as on March 31st, 2023, due to accretion of reserves. The total debt of the company stood at Rs. 51.87 Cr. as on March 31, 2024 (Prov.) as against Rs. 46.43 Cr. as on March 31, 2023. The debt profile of the company comprises of Rs. 36.07 Cr. of long-term debt, Rs. 6.56 Cr. of short-term debt, Rs. 3.79 Cr. of unsecured loans and, Rs. 5.45 Cr. of CPLTD. The long-term debt of the company majorly comprises of term loans taken for construction work and purchase of plant and machinery. The gearing of the company stood moderate at 1.80 times in FY 2024(Prov.) as compared to 1.98 times in FY23. The TOL/TNW of the company stood at 2.13 times as on March 31, 2024 (Prov.) as against 2.46 times as on March 31, 2023. Further, the debt protection metrics of the company stood healthy reflected by debt service coverage ratio of 2.30 times for FY24 (Prov.) as against 3.62 times for FY23. The interest coverage ratio stood at 4.28 times for FY24 (Prov.) as against 3.98 times for FY23. The net cash accruals to total debt (NCA/TD) stood at 0.32 times in FY2024(Prov.) as compared to 0.18 times in the previous year.

Acuite believes that the financial risk profile is expected to improve on account of healthy accruals generation and in absence of any further major debt funded capex over the medium term.

## Weaknesses

### Moderately Intensive Working capital management

The working capital management of the company is moderately intensive, marked by Gross Current Assets (GCA) of 188 days as of 31<sup>st</sup> March 2024(Prov.), compared to 183 days on 31<sup>st</sup> March 2023. The high GCA days are primarily on account of elevated inventory levels and high other current assets, mainly comprising balances with revenue authorities and advances paid to parties. The inventory holding period extended to 127 days on 31st March 2024(Prov) as compared to 50 days on 31st March 2023. The debtor collection period of the company stood at 26 days in FY2024 (Prov) as against 1 day in FY23. The creditor days stood at 162 days for FY24 (Prov) as against 100 days in FY2023. Furthermore, the average utilization for fund-based limits remained moderate, averaging around 78.45% over the last twelve months ending Aug 2024.

Acuite believes that the ability of the company to manage its working capital operations efficiently will remain a key rating sensitivity.

### Limited track record of heavy fabrication operations and susceptibility to customer concentration risk

The company has entered into heavy fabrication work with a focus on wind mill towers in 2021. The company does not have prior track record of heavy fabrication work. However, the company has been able to secure orders for heavy fabrication of wind mill towers of Rs.~227 Cr, executable over the near to medium term. Further, the company is exposed to customer

concentration risk as it derived ~65% of revenue from top three customers.

Acuite believes that the ability of the company to execute the orders at hand, secure additional orders and diversify its customer base will remain a key rating sensitivity.

### **Rating Sensitivities**

- Sustained improvement in scale of operations while maintaining profitability
- Any elongation in working capital cycle
- Deterioration in financial risk profile

### **Liquidity Position Adequate**

The company's liquidity position is adequate. The company generated sufficient net cash accruals of Rs.16.74 Cr. in FY2024(Prov.) as against its maturity debt obligations of Rs. 5.45 Cr. in the same tenure. In addition, it is expected to generate sufficient cash accrual in the range of Rs.26.64 – Rs.30.14 Cr. against its maturing repayment obligations in the range of Rs. 5.45- Rs.6.66 Cr. over the medium term. The current ratio stands at 1.29 times as on 31st March 2024(Prov.) as against 0.80 times as on 31st March 2023. The cash and bank balance stood at Rs.1.39 Cr. as on March 31, 2024(Prov). Further, the working capital management of the company is moderately intensive marked by GCA days of 188 days in FY2024(Prov.) as against 183 days in FY2023.), however, the reliance on working capital limit utilisation stood moderate at 78.45% utilization over the last twelve months ending Aug 2024.

### **Outlook: Stable**

Acuite believes that the company will continue to maintain a 'Stable' outlook over the medium term owing to its experienced promoters and healthy order book position. The outlook may be revised to 'Positive' if the company reports higher than expected improvement in scale of operations while maintaining operating profitability and efficient working capital management. Conversely, the outlook may be revised to 'Negative' if the company registers decline in revenue and profitability leading to lower than expected cash accruals, deterioration in the financial risk profile or higher than expected working capital borrowing.

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	54.06	25.78
PAT	Rs. Cr.	5.43	5.22
PAT Margin	(%)	10.04	20.25
Total Debt/Tangible Net Worth	Times	1.80	1.98
PBDIT/Interest	Times	4.28	3.98

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

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, Acuite 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Aug 2023	Term Loan	Long Term	44.22	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	1.00	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.28	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BBB-   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.11	ACUITE BBB-   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.89	ACUITE BBB-   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.28	ACUITE BBB-   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.66	ACUITE BBB-   Stable   Assigned
Bank of Baroda	Not avl. / Not appl.	Term Loan	05 Feb 2024	Not avl. / Not appl.	05 Feb 2031	Simple	39.11	ACUITE BBB-   Stable   Reaffirmed
Cosmos Bank	Not avl. / Not appl.	Term Loan	28 Aug 2023	Not avl. / Not appl.	28 Aug 2033	Simple	0.95	ACUITE BBB-   Stable   Assigned

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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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