



**Press Release**  
**A N E INDUSTRIES PRIVATE LIMITED**  
**April 10, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BBB-   Stable   Reaffirmed	-
Bank Loan Ratings	13.00	-	ACUITE A3   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	33.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) and reaffirmed the short-term rating of '**ACUITE A3**' (read as **ACUITE A Three**) on the Rs. 33.00 Cr. bank facilities of A N E Industries Private Limited (AIPL). The outlook is '**Stable**'.

**Rationale for Reaffirmation**

The rating factors steady scale of operations with moderation in profitability margins, moderate financial risk profile and intensive working capital operations. A slight decline in EBITDA margins of the company was noticed which stood at 13.67% in FY24 as compared to 15.44% in FY23 because of cost fluctuations in stone prices. The working capital cycle remains intensive with GCA days standing at 110 days for FY24 against 113 days for FY23. Despite the challenges, AIPL's diversified operations, including a stable coal extraction service contract with North Eastern Coalfields and expansions in the stone division, is expected to continue to augment the business risk profile over the medium term.

**About the Company**

Punjab based, A N E Industries Private Limited was incorporated in 2003, but in fact, prior to its incorporation, the family of the promoters were in same line of activity under the partnership firm M/s National Mining Company since 1975. Thus, the company along with its promoters have rich experience in Mining and infrastructure development since 45 years. The company successfully executed many various mining contracts all over India. The company owns a large fleet of modern and high-end Heavy Earth Moving Machinery to execute the projects. It is engaged in the business of mining and leasing for stone (~60% of FY24 revenues) and extraction of coal (~40% of FY24 revenues) for North Eastern Coalfields. Mr. Gagandeep Singh, Mr. Jaswant Kaur and Mr. Harpal Singh Saini are directors of the entity.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone financial and business risk profiles of A N E Industries Private Limited (AIPL) to arrive at the rating.

### **Key Rating Drivers**

## Strengths

### Experienced Management and an established track record of operations

The Company has been present in the infrastructure development and mining activities since more than two decades. The Company is currently managed by Mr. Gagandeep Singh and Mr. Jaswant Kaur. The promoters of the company have an experience of more than four decades in the same industry through A N E Industries Private limited and other group entities engaged in the same line of business. The extensive experience of promoters has helped the Company establish long-term relationships with its customers and suppliers for repeat orders. Acuite believes that AIPL may continue to benefit from its established track record of operations and longstanding relationships with its customers and suppliers resulting in a steady growth in its scale of operations.

### Steady scale of operations albeit moderation in profitability margins

The company have achieved a revenue of Rs. 169.22 Cr. in FY24 against Rs. 160.28 Cr. in FY23. The increase of 5.58% is attributed to the timely execution of the orderbook. The EBITDA margins of the company stood at 13.67% in FY24 as compared to 15.44% in FY23. The PAT margins of the company stood at 7.74 % in FY24 as compared to 7.91% in FY23. The decrease in profitability margins was noticed because of the volatility in the prices of stone during FY24. The topline of the company for 10MFY25 stood at Rs. 141.36 Cr. The company has a total outstanding order book of Rs. 1175.32 Cr. as of 28th February 2025 to be executed over the long term. Going forward, the company is likely to maintain the business on account of healthy order book in medium term.

### Moderate Financial Risk Profile

The financial risk profile of the company is marked by moderate net-worth of Rs. 64.01 Cr. as on 31st March 2024 against Rs. 65.51 Cr. as on 31st March 2023. The slight decline has been due to reduction in amount of unsecured loans (earlier treated as quasi equity) as the same was no longer sub-ordinated to bank loans. The total debt of the company is Rs. 53.66 Cr. as on 31st March 2024 (LT – Rs. 26.50 Cr., USL – Rs. 16.63 Cr. and ST – Rs. 10.53 Cr.) against Rs. 41.00 Cr. (LT – Rs. 23.58 Cr. and ST – Rs. 17.42 Cr.) as on 31st March 2023. The increase in the debt has been because of the inclusion of the unsecured loans as debt which was previously being treated as quasi equity. The gearing stands healthy at 0.84 times in FY24 against 0.63 times in FY23. Further, the interest coverage ratio of the company stood comfortable at 3.81 times in FY24 against 2.88 times in FY23. The debt service coverage ratio stood at 1.46 times in FY24 against 0.92 times in FY23 and 0.46 times in FY22. The TOL/TNW stood at 1.10 times in FY24 against 0.92 times in FY23. Acuite believes that the financial risk profile of AIPL is likely to remain moderate over the medium term due to absence of any major debt funded capex plans in near future.

## Weaknesses

### Intensive Working Capital Operations

The working capital operations of the company remained intensive marked by GCA days which stood at 110 days as on as on 31st March 2024 against 113 days as on 31st March 2023. The inventory and debtor days of the company stood at 20 days and 62 days respectively as on 31st March 2024 against 25 days and 64 days respectively as on 31st March 2023. On the other hand, the creditor days of the company stood at 119 days as on 31st March 2024 against 156 days as on 31st March 2023. Acuite believes that the working capital operations of AIPL is likely to stay on the same line as there are no changes anticipated in the payment terms or the management's inventory holding policy.

### High Regulatory risk in the mining sector

The mining environment in India has witnessed uncertainties due to issues like illegal mining and risk from sudden change in government policies. Therefore, any major regulatory changes may impact the business operations of the company.

## Rating Sensitivities

Movement in the scale of operations and margins

Movement in working capital requirement

Movement in debt protection metrics

## Liquidity Position

### Adequate

The company generated a net cash accrual of Rs. 17.16 Cr. as on as on 31st March 2024 against the debt repayment obligations of Rs. 9.83 Cr. in the same period. The current ratio of the company improved to 1.39 times as on 31st March 2024 against 1.07 times as on 31st March 2023 because of the decrease in the bank borrowings and trade payables. The NCA/TD stood at 0.32 times in FY24 as against 0.40 times in FY23. Further, the average

bank limit utilization at the month end balance stood low at 41% for 6 months ending February 2025. Acuité believes that the liquidity of AIPL is likely to remain adequate over the medium term on account of steady cash accruals and absence of any debt funded capex plans.

**Outlook : Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	169.22	160.28
PAT	Rs. Cr.	13.09	12.67
PAT Margin	(%)	7.74	7.91
Total Debt/Tangible Net Worth	Times	0.84	0.63
PBDIT/Interest	Times	3.81	2.88

### 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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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
15 Jan 2024	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	14.60	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	5.40	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE A3   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.60	Simple	ACUITE BBB-   Stable   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Mar 2027	4.40	Simple	ACUITE BBB-   Stable   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Mar 2027	1.00	Simple	ACUITE BBB-   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

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