

SEC/BSE/42/2021-22

December 27, 2021

The Manager

Corporate Relationship Department,

BSE Limited, Rotunda Building,

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai- 400 001

Kind Attn : Mr. Abhay Mungekar/ Mr. Amol Hosalkar
Scrip Code : **517449**
ISIN : **INE437D01010**

Dear Sirs,

Assignment of Credit Ratings:

We would like to inform you that CARE Ratings Limited has assigned Credit Ratings for various bank facilities of Magna Electro Castings Limited as required.

The Credit Rating Letter issued by CARE Ratings Limited dated 27th December, 2021 is enclosed for your reference and records.

Kindly take this information on record.

Thanking you

For Magna Electro Castings Limited

Sangeetha C
Company Secretary
ACS - 34056

No. CARE/CMBO/RL/2021-22/1166

Shri N Krishna Samaraj
Managing Director
Magna Electro Castings Limited
 43, Balasundaram Road, Coimbatore
 Tamil Nadu 641018

December 27, 2021

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of your Company for FY21 (Audited) and H1FY22 (Provisional), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	16.25	CARE A2 (A Two)	Reaffirmed
Total Facilities	26.25 (Rs. Twenty-Six Crore and Twenty-Five Lakhs Only)		

- Refer **Annexure 1** for details of rated facilities.
- The rationale for the rating is attached as **Annexure 2**. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 3**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 29, 2021, we will proceed on the basis that you have no any comments to offer.
- CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
 CARE Ratings Limited

Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

6. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Jitendra Singh Chaudhary
Lead Analyst
jitendra.singh@careedge.in



Swathi Subramanian
Assistant Director
swathi.subramanian@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

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CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

Annexure 1

Details of Rated Facilities

1. Long Term Facilities

1.A. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	Axis Bank Ltd.	5.00	Cash Credit
2.	Union Bank of India	5.00	
	Total	10.00	

Total Long-Term Facilities : Rs.10.00 crore

2. Short Term Facilities

2.A. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	Union Bank of India	10.00	Foreign Bill Discounting
	Total	10.00	

2.B. Non-Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	Union Bank of India	5.00	Letter of Credit
2.	Union Bank of India	1.25	Bang Guarantee
	Total	6.25	

Total Short-Term Facilities : Rs.16.25 crore

Total Facilities (1.A+2.A+2.B) : Rs.26.25 crore

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Annexure 2
Rating Rationale
Magna Electro Castings Limited

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ²	Rating Action
Long Term Bank Facilities	10.00	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	16.25	CARE A2 (A Two)	Reaffirmed
Total Bank Facilities	26.25 (Rs. Twenty-Six Crore and Twenty-Five Lakhs Only)		

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Magna Electro Castings Limited (MECL) continue to derive strength from the vast experience of the promoters, long operational track record of more than two decades in casting business with well-established manufacturing facilities and healthy capital structure.

The ratings are, however, constrained by modest scale of operations with relatively lower capacity utilization, exposure of margins to volatile raw material prices & foreign exchange risk and intensely competitive & fragmented nature of industry.

Rating Sensitivities

Positive Factors

- Consistent improvement in the scale of operations through diversified client base
- Sustainable improvement in the operating margins above 15%

Negative Factors

- Any large-sized debt-funded capex leading to deterioration in capital structure with overall gearing levels greater than 0.80x.

Detailed description of the key rating drivers

Vast experience of the promoter

MECL was promoted in 1990 by Mr N Krishna Samaraj, an Engineer and Management graduate by qualification. He has more than two decades of experience in the casting industry. He is the ex-president of "The Institute of Indian Foundry men" and currently takes care of the overall management of the company. He is assisted by a well-qualified and experienced team of professionals to take care of the day-to-day operations of the company.

Long and successful operational track record of over two decades catering to both domestic and export markets

MECL has a long track record of presence for over two decades in the industry. MECL caters to different industrial requirements including auto, valves, transmission, locomotives, etc, and each of these contributes around 10%-12% of its total income. The company has a long-standing presence in ductile iron casting segment. The company caters to both domestic and export market with export sales contributing to about 49% of the revenue in FY21 (refers to the period April 1 to March 31; PY: 45%).

Well-established manufacturing facilities with in-house machining capabilities

MECL has well-established manufacturing facilities supported by its backward integration. The company's manufacturing facility is located at Coimbatore Pollachi main road, Tamil Nadu, which is spread over 10 acres of land having in-house facilities such as metal handling, moulding, melting, sand plant, heat treatment, finishing, core shop, testing facilities and packing. MECL has three furnaces with aggregate capacity of 3 tons/hour with windmills of 4MW for captive consumption purposes which met around 50% of the power requirement of the unit. The company also does a part of its machining is done from its sister concern 'Samrajyaa and Company' located near MECL's unit to the extent of Rs.9.39 crore in FY21 (PY: Rs.9.39 crore). MECL's design and engineering capability and the ability to manufacture castings as per customized requirements enables it to get repeat orders from its Tier I customers.

Moderate scale of operations with relatively lower capacity utilization

The casting industry has many large players with higher capacities and large scale of integrated operations which keeps the scale of operations of MECL modest. The operating income of the company has remained moderate in the range of Rs. 95-100 crore the past two years on the back a general slow-down in the auto industry and other related sectors resulting in the decline in the orders which was further aggravated by the outbreak of COVID19. MECL has been operating at moderate capacity utilization levels for the past two years at 55-60% ended FY21. During the H1FY22, the company recorded an operating income to Rs.60.70 crore when compared to Rs.43.25 crores in H1FY21.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Margins exposed to volatility in raw material prices

MECL's financial risk profile is constrained by volatile PBILDT margins, although comfortable in the range of 11-14%% in the past two years. The operating margins moderated to 11.32% in FY21 as compared to 13.15% in FY20 due to increased raw material prices & reduced capacity utilizations. The primary raw materials used for the ductile iron casting include steel scrap and ferro alloys, whose prices are inherently volatile and driven largely by global as well as local demand and supply conditions. Steel scrap contributes to 84% of the total raw material requirement and the rest is contributed by Ferro alloys and other raw materials like pig iron and graphite granules. Hence, any volatility in the prices of these materials may impact the profitability of MECL. The prices of steel scrap have shot up by almost 35-40% in the current year leading to a pressure on the company's margins. Due to the present market scenario, the company is also not able to fully pass on the price increase to its customers. Furthermore, with about 49% of the income from export markets, the company's realizations are also exposed to risk on foreign exchange rates, although the company takes hedging on a case-to-case basis.

Healthy capital structure.

MECL stood debt free with minimal utilisation of its working capital limits throughout the year in FY21. The Company has in FY21 bought back 3,50,096 fully paid-up equity shares resulting in an outflow of Rs.5.7 cr. Consequent to the buy back the, the shareholding percentage of promoters effectively increased from 48.45% to 52.58%

Highly competitive nature of industry

The demand for castings industry is driven primarily by growth in infrastructure, industrial growth and the need for energy efficient solutions. India is a strong base for manufacturing of casting related products with presence of more casting units. India's low-cost manufacturing and local demand has made it a profitable proposition. The presence of international players in the market has led to a significant up-gradation in technology leading to better solutions for end users. The automobile & pumps segment accounts for major market for castings which are cyclical in nature. Low entry barriers and a price sensitive end user have led to unorganized sector capturing some share in the market leading to price competition.

Liquidity- Adequate

Adequate liquidity characterized by sufficient cushion in accruals vis-à-vis nil repayment obligations and moderate cash balance of Rs.14.88 Crores. MECL has a sanctioned limit of Rs.20 crore of working capital to facilitate its operations. Its liquidity position continues to remain comfortable with only 8% working capital utilizations in past 12 months. The company has not used a major part of its working capital facilities in light of favorable liquidity position. The current ratio stood comfortable at 3.28x as on March 31, 2021. The operations of MECL remain working capital intensive in nature. Though major portion of sales is on credit period for 2-3 months period, bill discounting facility is used for easing liquidity pressure. The Company normally collects its bills from 60 – 75 days for overseas clients and around 60 days for the domestic clients.

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook and credit watch to Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

[CARE's methodology for Manufacturing Companies](#)

[CARE's methodology for Auto Ancillary Companies](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the company

MECL is a public limited company incorporated in the year 1990 by Mr. N Krishna Samaraj who has more than two decades of business experience. MECL is engaged in the business of manufacturing & supplying ductile and grey iron castings in the weight range of 300 gram to maximum of 2000 kilogram. As on March 31, 2020, the unit had an installed capacity of 12000 MT. MECL also produces fully machined components utilizing its in-house CNC machine shop and other facilities as well. MECL caters to various end-user industries like auto, locomotives, valve, windmills, transmission, etc. The company has windmills with aggregate capacity of 4 MW for captive consumption purposes.

Financial Performance

(Rs. Crore)

For the Period Ended / as of March 31,	2019	2020	2021	H1FY22
	(12m, A)	(12m, A)	(12m, A)	UA
Working Results				
Net Sales	120.46	94.06	96.78	60.70
Total Operating Income	125.41	98.44	98.98	60.70
PBILDT	20.26	12.94	11.21	7.98
Interest	0.29	0.12	0.05	0.09
Depreciation	5.44	4.36	4.16	2.27
PBT	14.55	8.49	7.04	5.62
PAT	11.40	6.67	5.21	4.21
Gross Cash Accruals	16.71	10.78	9.10	6.48
Financial Position				
Equity Capital	4.58	4.58	4.23	4.23
Net-Worth	70.77	73.49	71.33	74.19
Total Capital Employed	73.73	76.42	76.42	NA
Key Ratios				
Growth				
Growth in Total Income (%)	34.18	-21.51	0.55	NA
Growth in PAT (after deferred tax) (%)	66.09	-41.47	-22.05	NA
Profitability				
PBILDT/Total Op. Income (%)	16.16	13.15	11.32	13.14
PAT (after deferred tax)/Total Income (%)	9.09	6.78	5.26	6.93
ROCE (%)	21.06	41.43	32.99	NA
Solvency				
Debt Equity Ratio (times)	0.00	0.00	0.00	0.00
Overall Gearing Ratio (times)	0.00	0.00	0.00	0.03
Interest Coverage (times)	70.53	112.54	224.12	88.66
Term Debt/Gross Cash Accruals (years)	0.00	0.02	0.01	0.00
Total Debt/Gross Cash Accruals (years)	0.00	0.02	0.01	0.35
Term Debt/PBILDT (years)	0.00	0.01	0.01	0.00
Total Debt/PBILDT (years)	0.00	0.01	0.01	0.29
Liquidity				
Current Ratio (times)	3.36	3.82	3.28	2.71
Quick Ratio (times)	2.80	3.14	2.85	NA
Turnover				
Average Collection Period (days)	89	105	99	107
Average Inventory Period (days)	47	41	36	30
Average Creditors Period (days)	31	55	56	66
Operating Cycle (days)	72	92	80	71

A:Audited; UA: Unaudited

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Details of rated facilities: Please refer Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE BBB+; Stable
Fund-based - ST-FBN / FBP		-	-	-	10.00	CARE A2
Non-fund-based - ST-BG/LC		-	-	-	6.25	CARE A2

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Cash Credit	LT	10.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (04-Jan-21)	1)CARE BBB+; Stable (03-Feb-20)	1)CARE BBB+; Stable (06-Dec-18)
2	Fund-based - ST-FBN / FBP	ST	10.00	CARE A2	-	1)CARE A2 (04-Jan-21)	1)CARE A2 (03-Feb-20)	1)CARE A2 (06-Dec-18)
3	Non-fund-based - ST-BG/LC	ST	6.25	CARE A2	-	1)CARE A2 (04-Jan-21)	1)CARE A2 (03-Feb-20)	1)CARE A2 (06-Dec-18)

Annexure-3: Details of Rated Facilities

1. Long Term Facilities

1.A. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	Axis Bank Ltd.	5.00	Cash Credit
2.	Union Bank of India	5.00	
	Total	10.00	

Total Long-Term Facilities : Rs.10.00 crore

2. Short Term Facilities

2.A. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	Union Bank of India	10.00	Foreign Bill Discounting
	Total	10.00	

2.B. Non-Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	Union Bank of India	5.00	Letter of Credit
2.	Union Bank of India	1.25	Bang Guarantee
	Total	6.25	

Total Short-Term Facilities : Rs.16.25 crore

Total Facilities (1.A+2.A+2.B) : Rs.26.25 crore

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-FBN / FBP	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Detailed explanation of covenants of the rated instrument / facilities- NA

Annexure-6: Bank Lender Details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**

Annexure 3
Press Release
Magna Electro Castings Limited

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ³	Rating Action
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Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Magna Electro Castings Limited (MECL) continue to derive strength from the vast experience of the promoters, long operational track record of more than two decades in casting business with well-established manufacturing facilities and healthy capital structure.

The ratings are, however, constrained by modest scale of operations with relatively lower capacity utilization, exposure of margins to volatile raw material prices & foreign exchange risk and intensely competitive & fragmented nature of industry.

Rating Sensitivities

Positive Factors

- Consistent improvement in the scale of operations through diversified client base
- Sustainable improvement in the operating margins above 15%

Negative Factors

- Any large-sized debt-funded capex leading to deterioration in capital structure with overall gearing levels greater than 0.80x.

Detailed description of the key rating drivers

Key Rating Strengths

Vast experience of the promoter

MECL was promoted in 1990 by Mr N. Krishna Samaraj, an Engineer and Management graduate by qualification. He has more than two decades of experience in the casting industry. He is the ex-president of "The Institute of Indian Foundry men" and currently takes care of the overall management of the company. He is assisted by a well-qualified and experienced team of professionals to take care of the day-to-day operations of the company.

Long and successful operational track record of over two decades catering to both domestic and export markets

MECL has a long track record of presence for over two decades in the industry. MECL caters to different industrial requirements including auto, valves, transmission, locomotives, etc, and each of these contributes around 10%-12% of its total income. The company has a long-standing presence in ductile iron casting segment. The company caters to both domestic and export market with export sales contributing to about 49% of the revenue in FY21 (refers to the period April 1 to March 31; PY: 45%).

Well-established manufacturing facilities with in-house machining capabilities

MECL has well-established manufacturing facilities supported by its backward integration. The company's manufacturing facility, spread over 10 acres of land has in-house facilities such as metal handling, moulding, melting, sand plant, heat treatment, finishing, core shop, testing facilities and packing. Some part of the machining is also done from its sister concern 'Samrajyaa and Company' located near MECL's unit.

Healthy capital structure

MECL stood debt free with minimal utilisation of its working capital limits through the year in FY21. The Company has in FY21 bought back 3,50,096 fully paid-up equity shares resulting in an outflow of Rs.5.7 cr. Consequent to the buy back the, the shareholding percentage of promoters effectively increased from 48.45% to 52.58%

Key Rating weakness

Moderate scale of operations with relatively lower capacity utilization

The casting industry has many large players with higher capacities and large scale of integrated operations which keeps the scale of operations of MECL modest. The operating income of the company has remained moderate in the range of Rs. 95-100 crore the past two years on the back a general slow-down in the auto industry and other related sectors resulting in the decline in the orders which was further aggravated by the outbreak of COVID19. MECL has been operating at moderate capacity utilization levels for the past two years at 55-60% ended FY21.

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Profit margins exposed to volatility in raw material prices

The primary raw materials used for the ductile iron casting include steel scrap and ferro alloys, whose prices are inherently volatile and driven largely by global as well as local demand and supply conditions. Hence any volatility in the prices of these materials may impact the profitability of MECL. The prices of steel scrap have shot up by almost 35-40% in the current year leading to a pressure on the company's margins. Due to the present market scenario, the company is also not able to fully pass on the price increase to its customers. Furthermore, with about 49% of the income from export markets, the company's realizations are also exposed to risk on foreign exchange rates, although the company takes hedging on a case-to-case basis.

Highly competitive nature of industry

The demand for castings industry is driven primarily by growth in infrastructure, industrial growth and the need for energy efficient solutions. India is a strong base for manufacturing of casting related products with presence of more casting units. India's low-cost manufacturing and local demand has made it a profitable proposition. The presence of international players in the market has led to a significant up-gradation in technology leading to better solutions for end users. The automobile & pumps segment accounts for major market for castings which are cyclical in nature. Low entry barriers and a price sensitive end user have led to unorganized sector capturing some share in the market leading to price competition.

Liquidity- Adequate

Adequate liquidity characterized by sufficient cushion in accruals vis-à-vis nil repayment obligations and moderate cash balance of Rs.14.88 Crores. MECL has a sanctioned limit of Rs.20 crore of working capital to facilitate its operations. Its liquidity position continues to remain comfortable with only 8% working capital utilizations in past 12 months. The company has not used a major part of its working capital facilities in light of favourable liquidity position. The current ratio stood comfortable at 3.28x as on March 31, 2021. The operations of MECL remain working capital intensive in nature. Though major portion of sales is on credit period for 2-3 months period, bill discounting facility is used for easing liquidity pressure. The Company normally collects its bills from 60 – 75 days for overseas clients and around 60 days for the domestic clients.

Analytical approach: Standalone

Applicable Criteria

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Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	H1FY22(UA)
Total operating income	98.44	98.98	60.70
PBILDT	12.94	11.21	7.98
PAT	6.67	5.21	4.21
Overall gearing (times)	0.00	0.00	0.03
Interest coverage (times)	112.54	224.12	88.66

A: Audited; UA: Unaudited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/ facility: Not Applicable

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE BBB+; Stable
Fund-based - ST-FBN / FBP		-	-	-	10.00	CARE A2
Non-fund-based - ST-BG/LC		-	-	-	6.25	CARE A2

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Cash Credit	LT	10.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (04-Jan-21)	1)CARE BBB+; Stable (03-Feb-20)	1)CARE BBB+; Stable (06-Dec-18)
2	Fund-based - ST-FBN / FBP	ST	10.00	CARE A2	-	1)CARE A2 (04-Jan-21)	1)CARE A2 (03-Feb-20)	1)CARE A2 (06-Dec-18)
3	Non-fund-based - ST-BG/LC	ST	6.25	CARE A2	-	1)CARE A2 (04-Jan-21)	1)CARE A2 (03-Feb-20)	1)CARE A2 (06-Dec-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-FBN / FBP	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure 5: Bank Lender Details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications