

Rating Advisory

May 17, 2019 | Mumbai

Advisory as on May 17, 2019

This rating advisory is provided in relation to the rating of Anisha Impex Limited.

CRISIL vide its publication dated April 30, 2019 highlighted the aspect of non-co-operation by Anisha Impex Limited.

Anisha Impex Limited has now initiated cooperation, has confirmed timeliness in debt servicing for April 2019 and has also provided 'No Default Statement' dated May 15, 2019.

You may access the Rating Rationale as appended below.

Rating Rationale

August 30, 2018 | Mumbai

Anisha Impex Limited

Rating upgraded to 'CRISIL B+/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.10 Crore
Long Term Rating	CRISIL B+/Stable (Upgraded from 'CRISIL B/Stable')

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has upgraded its rating on the long-term bank facilities of Anisha Impex Limited (AIL) to '**CRISIL B+/Stable**' from 'CRISIL B/Stable'.

The upgrade reflects the increase in the company's revenue, leading to rise in net cash accrual to Rs 60 lakh in fiscal 2018 from Rs 34 lakh in fiscal 2017, and hence, to better liquidity. Bank limit was moderately utilised at an average of 88% over the 12 months through May 2018 against almost full utilization in the previous fiscals.

The rating reflects AIL's modest scale and low profitability in the highly fragmented textile trading business, and its large working capital cycle. These weaknesses are partially offset by the extensive experience of the promoters and moderate financial risk profile because of low gearing.

Key Rating Drivers & Detailed Description

Weakness

* **Modest scale amid intense competition:** The modest scale is reflected in operating income of Rs 55.12 crore in fiscal 2018. The industry has a large number of unorganised players. While intense competition restricts bargaining power with suppliers and customers, trading business restricts profitability. Operating profits remained in the range of 1.8-2.5 per cent for the last 3 years ending FY 2018.

* **Large working capital requirement:** Gross current assets were at 223 days as on March 31, 2018, driven by stretched receivables of 99 days and inventory of 71 days. Operations will remain working capital intensive.

Strengths

* **Promoters' extensive experience and established relationships with customers and suppliers:** The promoters' experience of 19 years in the fabric trading industry and healthy relationships with suppliers and customers should continue to support the business risk profile.

* **Moderate financial risk profile:** The financial risk profile is supported by low gearing of 0.3 time as on March 31, 2018, and moderate interest coverage of 1.6 times in fiscal 2018.

Outlook: Stable

CRISIL believes AIL will continue to benefit from its promoters' extensive experience. The outlook may be revised to 'Positive' if there is a significant increase in revenue and operating profitability, and improvement in working capital cycle. The outlook may be revised to 'Negative' if revenue and profitability decline, or if the company undertakes large, debt-funded capital expenditure, or if liquidity weakens significantly on account of increase in working capital requirement.

About the Company

Established in 1999, AIL is promoted by Mr Sunil Malik and his family and is based in Ghaziabad (Uttar Pradesh). It trades in various types of fabrics. The company is listed on the Bombay Stock Exchange.

Key Financial Indicators

Particulars	Unit	2017	2016
Revenue	Rs Cr.	55.12	35.09
Profit after tax	Rs Cr.	0.16	0.12
PAT margin	%	0.29	0.35
Adjusted Debt/Adjusted Networkth	Times	0.30	0.33
Interest coverage	Times	1.57	1.59

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs cr)	Rating assigned with outlook
NA	Cash Credit	NA	NA	NA	4.9	CRISIL B+/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	5.1	CRISIL B+/Stable

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2018 (History)		2017		2016		2015		Start of 2015
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund-based Bank Facilities	LT/ST	10.00	CRISIL B+/Stable			22-08-17	CRISIL B/Stable	31-05-16	CRISIL B/Stable		--	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	4.9	CRISIL B+/Stable	Cash Credit	5	CRISIL B/Stable
Proposed Long Term Bank Loan Facility	5.1	CRISIL B+/Stable	Proposed Long Term Bank Loan Facility	5	CRISIL B/Stable
Total	10	--	Total	10	--

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating criteria for manufacturing and service sector companies](#)

[CRISILs Approach to Recognising Default](#)

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