

## Barani Ferrocast Private Limited

Instrument	Amount	Rating Action
	In Rs Crore	October 2016
Long term - fund based (Cash Credit)	3.65	[ICRA]B- assigned
Long term - Term Loans	5.72	
Long term - Unallocated	4.63	

ICRA has assigned a long-term rating of [ICRA]B- (pronounced ICRA B minus) to the Rs. 3.65-crore long-term fund-based (cash credit) facilities, Rs. 5.72-crore term loans and Rs. 4.63-crore unallocated limits of Barani Ferrocast Private Limited (BFPL).

The assigned rating takes into account the company's small scale of business, due to relatively young nature of the operations, limiting its operational and financial flexibility, the fragmented nature of the industry and high competitive intensity, restricting its pricing flexibility. The rating is also constrained by the company's financial profile characterised by moderate gearing, thin margins at net level and weak coverage indicators. High customer concentration for the company accentuates the risk of order volatility while the revenues remain susceptible to the cyclicity in the downstream industries. The rating is also constrained by the exposure of the company's margins to volatility in raw material prices. However, the rating positively factors in the extensive experience of the promoters, spanning over two decades, in the metal industry, and strong revenue growth, albeit on low base, witnessed in the last two fiscals. The rating also factors in the promoters' commitment to bring in funds in the form of fresh equity/unsecured loans in line with the banker's stipulation.

Going forward, the company's ability to improve its scale of operations and margins, thereby improving its coverage metrics, will be the key rating sensitivity.

### Company Profile

BFPL is involved in the business of manufacturing ferrous castings using green sand molding and no bake molding process, based on the customer requirements. The company was incorporated in FY2011 and started commercial operations from FY2014. The company is led by Mr. T K Karuppannasamy and Mr. K Devaraj whose experience in the metal industry spans over two decades. The company has a production shop floor area of 2020 sq. mt. and services floor area of 210 sq. mt. to carry out the molding process. The company focuses on manufacturing intricate engineering parts that caters to various sectors like automobiles, power, general machinery etc.

### Recent Results

In FY2016, the company reported an operating income of Rs. 15.6 crore and Profit after Tax (PAT) of Rs. 0.2 crore. In FY2015, the company reported an operating income of Rs. 11.5 crore and PAT of Rs. 0.1 crore.

**October 2016**

*For further details please contact:*

Analyst Contacts:

**Mr. K. Ravichandran**, (Tel. No. +91-44-45964301)  
ravichandran@icraindia.com

**Rathina Pradeep R** (Tel. No. +91-44- 42974 307)  
rathina.r@icraindia.com

**R Srinivasan** (Tel. No. +91 44 4596 4315)  
r.srinivasan@icraindia.com

Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91-80-43326401)  
jayantac@icraindia.com



© Copyright, 2016, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500