



Press Release

Bliss Anand Pvt Ltd (BAPL)

August 31, 2022

Rating

Sr. No.	Instrument/ Facility	Amount (INR Crore)	Rating Assigned	Rating Action	Complexity Indicator
1	Long Term Bank Facilities	13.50	IVR BBB-/ Stable [IVR Triple B minus with Stable Outlook]	Assigned	Simple
2	Short Term Bank Facilities	16.50	IVR A3 [IVR A Three]	Assigned	Simple
	Total	30.00			

Details of facilities are in Annexure 1

Rating Rationale

The ratings assigned to the bank facilities of Bliss Anand Pvt Ltd derive strength from experienced management, improved scale of operation and profitability, reputed Clientele albeit client as well as suppliers' concentration, moderate capital structure and debt coverage indicators and healthy order book. The rating is however constrained by susceptibility of profitability to volatility in raw material prices, intense competition in valves industry and tender driven nature of business.

Key Rating Sensitivities:

➤ **Upward Rating Factor:**

- Significant growth in scale of business with further improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity

➤ **Downward Rating Factor:**

- Dip in operating income and/or profitability thereby impacting the debt coverage indicators and/or any deterioration in the financial risk profile.



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- Any significant rise in working capital intensity or unplanned capex leading to a deterioration in the liquidity position

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced Management: Mr. Vikas Anand and Mr. Rengachary Govinda Rajan are the Directors in the company and manage day to day operations. Mr Vikas Anand handles overall management of the company and is supported by Mr. Rajan who handles the marketing activities. The Directors have experience in the same line of business for more than two decades which has enabled them to understand the complexity of the business and establish relations with suppliers and customers.

Improved scale of operation and profitability: Total operating income of the company has increased significantly by ~279% to Rs. 268.90 Crores for FY2022 compared to Rs. 70.22 Crores. This increase in the TOI is majorly driven by the execution of orders received from L&T Ltd (erstwhile L&T Hydrocarbon Engineering Ltd) which has contributed ~72% to the revenue of the company for FY22. The EBITDA margin of the company has remained at 22.32% for FY22 compared to 24.92% in FY21; declined by 260 bps due to higher raw material consumption cost. However, PAT margin of the company has improved by 179 bps to 14.60% in FY22 compared to 12.81% in FY21 due to increase in the other income from Rs. 1.29 Crore in FY21 to Rs. 2.27 Crore in FY22. GCA of the company has improved from Rs. 12.18 Crore in FY21 to Rs.43.66 Crore in FY22.

Reputed Clientele albeit client as well as suppliers' concentration: The company's customer profile consists of reputed companies like Indian Oil Corporation, Reliance Industries Limited, L&T Ltd. (erstwhile L&T Hydrocarbon Engineering Limited), Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited etc and the company has managed to get repetitive orders over the years, depicting low counterparty credit risk and adequate revenue visibility. Topmost customer of the company contributed around 72% of the revenue of the company for FY22 depicting client concentration risk. Further, top two suppliers contributed for around 94% of the total purchase indicating supplier concentration risk.



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Moderate capital structure and debt coverage indicators: The capital structure of the Company remained moderate marked by overall gearing of 0.45x as on March 31, 2022, as compared to 1.78x as on March 31, 2021. TOL/TNW of the company also remained at 2.40x as on March 31, 2022, compared 4.55x as on March 31, 2021. ISCR of the company remained moderate at 14.03x for FY22 compared to 5.08x in FY21. Total Debt/GCA of the company remained at 0.65x as on 31st March 2022 compared 3.44x as on 31st March 2021.

Healthy Order Book: The company has the outstanding order book of Rs. 453.67 Crores as on 30th June 2022. Out of Rs. 453.67 Crores order book, Rs. 168.10 Crore worth of orders are from L&T Ltd which constitutes around 37.05% of the outstanding order book.

Key Rating Weaknesses

Susceptibility to volatility in raw material prices: The profitability of the Company is exposed to variations in raw material prices. However, the same is mitigated to certain extent on account of presence of price variation clause in the purchase agreement with L&T Ltd..

Tender driven nature of business: Execution risks for newly awarded projects in a timely manner will be key to achieving growth in revenues and profits. Business certainty is dependent on the company's ability to successfully bid for the tenders as entire business is tender based.

Intense competition in valves industry: The company faces tough competition while participating in tenders for valves supply. However, the same is mitigated to a certain extent owing to long-standing business relationship with its clients. The company faces direct competition from various players in the segment of manufacturing industrial valves for oil and gas industry.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning Rating Outlook.](#)



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Liquidity: Adequate

The Company has been earning a moderate level of GCA for the last few years and the same is expected to increase further with increase in scale of operations. The company expects sufficient cushion in cash accruals against its debt obligations going forward. The GCA has improved to Rs.43.66 Crore in FY22 as against minimal long term loan repayments. The unencumbered cash and bank balances remained at Rs. 86.92 crores as on 31st March 2022 which increased from Rs. 50.16 crore as on March 31, 2021. The average utilization of working capital limits remained at 62.97% during the 12 months ended July 31, 2022. The Current ratio stood moderate at 1.22x as of March 31, 2021 & 1.29x as at March 31, 2022. Overall, the liquidity position is Adequate. Operating cycle of the company has improved for FY22 compared to FY21 due to decline in the inventory and collection period with an increase in its scale of the operation.

About the Company

Bliss Anand Private Limited (BAPL) was started in 1975, by Mr. Prem Anand, a persuasive entrepreneur, as a trading organization, supplying valves and instruments to Process and Power Industries, and in a span of 4 years, it graduated into a manufacturing unit. Presently, Mr. Vikas Anand (son of Mr. Prem Anand) is managing the business along with a team of highly qualified and experienced professionals. The manufacturing unit of BAPL is located in Bawal and a warehouse in Manesar, both are in Haryana. The company is a reputed manufacturer of field instruments, including Magnetic Level Gauges, Glass Level Gauges, Magneto strictive Transmitters, Sight Flow Indicators and Farris Safety Relief Valves, to Global standards. The manufactured products of BAPL are used for (a) flow and level measurement & control and (b) in oil and gas sector. The company's customer profile consists of reputed companies like Indian Oil Corporation, Reliance Industries Limited, L&T Hydrocarbon Engineering Limited, Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited etc and the company has managed to get repetitive orders over the years, depicting low counterparty credit risk and adequate revenue visibility.



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Financials (Standalone)

INR in Crore

For the year ended* As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	70.22	268.90
EBITDA	17.50	60.01
PAT	9.16	39.60
Total Debt	41.86	28.44
Tangible Net Worth	23.52	63.11
EBITDA Margin (%)	24.92	22.32
PAT Margin (%)	12.81	14.60
Overall Gearing Ratio (x)	1.78	0.45

**Classification as per Infomerics' standards*

Details of Non-Co-operation with any other CRA: The ratings of Bliss Anand Pvt Ltd have been moved to INC by CRISIL as per Press Release dated November 24, 2021, due to unavailability of information.

Any other information: Not Applicable

Rating History for last three years:

Name of the Facility/ Instrument	Current Rating (Year: 2022-23)			Rating History for the past 3 years		
	Type	Amount (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (December 20,2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20 (February 05,2020)
Cash Credit	Long Term	6.50	IVR BBB-/ Stable	-	-	-
Term Loan	Long Term	2.08	IVR BBB-/Stable	-	-	-
Proposed	Long Term	4.92	IVR BBB-/Stable			



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Bill Discounting	Short Term	8.50	IVR A3			
Bank Guarantee	Short Term	8.00	IVR A3			

Name and Contact Details of the Rating Analysts:

Name: Mr. Jyotiraditya Singh Tel: (011) 45579024 Email: jyotiraditya.singh@infomerics.com	Name: Mr. Harsh Raj Sankhla Tel: (011) 45579024 Email: harshraj.sankhla@infomerics.com
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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

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of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facility – Cash Credit	-	-	-	6.50	IVR BBB-/ Stable
Long Term Fund Based Facility – Term Loan	-	-	April 2023	0.08	IVR BBB-/Stable
Long Term Fund Based Facility – Term Loan	-	-	April 2025	2.00	IVR BBB-/Stable
Long Term Fund Based Facility – Proposed	-	-	-	4.92	IVR BBB-/Stable
Short Term Non-Fund Based Facility- Bank Guarantee	-	-	-	8.00	IVR A3
Short Term Fund Based Facility- Bill Discounting				8.50	IVR A3

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Bliss-Anand-aug22.pdf>



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Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.