



Rating Rationale

A-Class Marbles India Pvt Ltd

6th March 2018

Brickwork Ratings revises the ratings for the Long Term Bank Loan Facilities and reaffirms the short term bank facilities of A-Class Marbles India Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Jan, 2017)	Present
Fund based	22.87	23.09	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable	BWR BB (Pronounced as BWR Double B) Outlook: Stable Upgrade
Non Fund Based	15.00	22.50	Short Term	BWR A4 (Pronounced as BWR A Four)	BWR A4 (Pronounced as BWR A Four) Reaffirmed
Total	37.87	45.59	INR Forty Five Crore Fifty Nine Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Upgraded/ Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financial results of A-Class Marbles India Private Limited up to FY17, projected financials up to FY19, publicly available information and information provided by the management.

The rating assigned to the bank facilities of A-Class Marbles India Private Limited positively factors the promoter's experience of more than three decades in marbles Processing & trading business. However, the ratings are constrained due to working capital intensive nature of operations, stretched liquidity, high gearing levels and risk arising due to foreign currency fluctuations.



Going forward, the company's ability to increase scale of operations, infuse equity/unsecured loans to reduce gearing level, improve liquidity and efficiently manage its working capital cycle remains the key rating sensitivities.

Description of Key Rating Drivers

Experienced management: Company is engaged in the granite processing industry. The promoters have extensive business experience which supports business operations.

Scale of operations: Company has a track record of more than two decades and has developed good reputation in the field of marble and granite yet the company has modest scale of operations as the sales have remained muted in FY17 as compared to FY16.

Stressed liquidity position : Liquidity position in the company remain stressed as current ratio stood at 1.05x times in FY17

Leveraged capital structure: The company's capital structure is leveraged with gearing of 1.99 times and TOL/TNW of 4.03 times as on March 2017. The company's operations are capital intensive in nature.

Intense competition The company operates in a highly fragmented industry with limited entry barriers wherein the presence of large number of players in the unorganised sector limits the bargaining power with customers.

Foreign exchange fluctuation risk: Since the company's major raw material is Imported, so there is Vulnerability of profitability margins due to fluctuations in forex rates.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes the **A-Class Marbles India Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.



About the Company

AMPL, incorporated in July 2005, was set up to carry out business in granite, marble, sandstone, cultured & quartz marbles, tiles and slabs. Currently, the company is engaged in processing and trading of marbles and slabs imported from Italy, Greece, Vietnam and China. The company has its processing unit at Kishangarh, Rajasthan with an installed capacity of 75 lac square feet per annum, which commenced commercial operations from December 2012. The company has its dealer network mainly in Delhi and Rajasthan. Mr. Rai Chand Bhandari, Mr. Rajesh Bhandari and Mr. Ramesh Bhandari are the directors of the company.

Company Financial Performance

Company generated total operating income of ₹ 105.60 Crs. in FY17 as compared to Rs.104.11 crs in FY16. Profit after tax of company stood at ₹ 0.74 Crs. in FY17. The tangible net worth of the company stood at Rs. 29.83 Crs. as on 31-3- 2017. On provisional basis, the company has achieved total operating income of Rs. 104.21 crs. for the 9M FY 2018.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating (2018)	2017	2016	2015
	Fund Based	Long Term	23.09	BWR BB Outlook: Stable Upgrade	BWR BB-	N.A	BWR B+
	Non Fund Based	Short Term	22.50	BWR A4 Reaffirmed	BWR A4	N.A	BWR A4
	Total		45.59	₹ Forty Five Crores Fifty Nine Lakhs Only			

Status of non-cooperation with previous CRA (if applicable)-N.A

Any other information- N.A



Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	Crores	105.60	104.11
EBITDA	Crores	9.51	10.61
PAT	Crores	0.74	2.86
Tangible Net worth	Crores	29.83	23.27
Total Debt/Tangible Net worth	Times	1.99	2.26
Current Ratio	Times	1.05	1.02

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.



About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.