

Rating Rationale

A-Class Marbles India Private Limited

January 11th 2017

Brickwork Ratings revises ratings for the Bank Loan Facilities of A-Class Marbles India Private Limited

Particulars

Facility Rated	Amount # (Rs. Crs.)		Tenure	Previous Rating	Present Rating
	Previous	Present			
Fund Based					
Term Loan	7.00	10.87	Long Term	BWR B+ (Pronounced as BWR B+) Outlook: Stable	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable Upgraded
Cash Credit	5.08	10.00			
SLC	0.00	2.00			
Non Fund Based					
ILC/FLC*	4.00	15.00	Short Term	BWR A4 (Pronounced as BWR A Four)	BWR A4 (Pronounced as BWR A4) Reaffirmed
Total	16.08	37.87	INR Thirty seven crore eighty seven lakhs only		

*Buyers Credit Limit fo Rs. 15.00 Cr within ILC

*Bank Guarantee of Rs. 2.50 Cr within ILC

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 FY16, projected financials up to FY18, publicly available information and information provided by the management.

The ratings factor in, inter alia, the promoter's experience of more than three decades in marbles trading business, healthy growth in operating income, adequate tangible net worth and moderate debt coverage indicators. However, the ratings are constrained, 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.

Rating Outlook: Stable

BWR believes that **A-Class Marbles India Private Limited** 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 company improves its liquidity and manage its working capital efficiently. 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, sand stone, 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.

Financial Performance

AMPL reported total revenue from operations at Rs. 104.11 crore in FY16 as against Rs. 84.56 crore in FY15. Operating Profit Margin and Net Profit Margin of the company was at 10.19% and 2.75% in FY16 respectively.

Rating History for the last three years

Sl. No.	Facility	Current Rating (2017)			Rating History		
		Tenure	Amount (RsCr)	Rating	2016	2015	2014
Fund Based							
1	Term loan	Long Term	10.87	BWR BB-	-	BWR B+	NA
2	Cash Credit	Long Term	10.00	BWR BB-	-	BWR B+	NA
3	Standby Line of Credit	Long Term	2.00	BWR BB-	-	BWR B+	NA
Non Fund Based							
4	ILC/FLC	Short Term	15.00	BWR A4	-	BWR A4	NA

Hyperlink/Reference to applicable Criteria

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

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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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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