

Rating Rationale

ADS Pro Shield

28th March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 11.00 Crs of ADS Pro Shield

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u>			
OCC	6.00	Long Term	BWR B Pronounced BWR B Outlook: Stable
Term Loan	1.00		
OCC(proposed)	4.00		
Total	Rs. 11.00 Crores (Rupees Eleven Crores Only)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials results of the company up to FY16, projected financials, publicly available information and information/clarifications provided by the management.

The rating has factored experience of the partners in the specialized field of coating services, reputed customer base, and increasing sales in the current FY. However, the rating is constrained by small scale of operations, low Networth, and increasing gearing if additional credit facilities are sanctioned.

Rating Outlook: Stable

BWR believes the **ADS Pro-Shield's** 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

ADS Pro-Shield was established in the year 1996 as a partnership firm. There are five partners including Mr. T.J.Prakash, Mr. T.J.Jagadeesh, Mr.T.J.Ramesh, Mrs. P N Bagavathy, Mrs. T.K.Jeyanthi. The firm is specialized in providing service and maintenance of epoxy coating, pipe coating, tank coating, etc., for different markets. It also develops customized solutions that prevent corrosions.

Company Financial Performance

Net Sales has increased from ₹7.60Cr in FY15 to ₹11.49Cr in FY16. PAT of the company increased to ₹1.09Cr from ₹0.57Cr in the same period. Tangible Networth of the company has increased in FY16 to 3.76Cr from 2.46Cr in FY15.

In the current financial year, the firm has reported to have achieved a turnover of Rs.22Cr as of 31 Jan 2017.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1.	OCC	Long Term	6.00	BWR B	NA	NA	NA
2.	Term Loan		1.00				
3.	OCC (Proposed)		4.00				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service sectors](#)
- [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 ₹ 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.

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.