

## Rating Rationale

### Brickwork Ratings reaffirms 'BWR A2+ (SO)' Ratings for the Banking Facilities of ₹ 8.00 Crores of *Afflatus Trading Pvt Limited*

Brickwork Ratings has reaffirmed the following **Ratings<sup>1</sup>** to Bank Loan facilities amounting to ₹ 8.00 Crores of *Afflatus Trading Pvt Limited (ATPL) sanctioned by State Bank of India*.

Facility	Limit (₹ Cr)	Tenure	Previous Rating	Rating reaffirmed
LC	8.00	Short Term (Non Fund Based)	<b>BWR A2+ (SO)* Pronounced as BWR A Two Plus (Structured Obligation) (February, 2014)</b>	<b>BWR A2+ (SO)* Pronounced as BWR A Two Plus (Structured Obligation)</b>
<b>Total</b>	<b>8.00</b>		<b>INR Eight Crores only</b>	

*\*Based on unconditional and irrevocable guarantee from Assam Roofing Limited (Holding company)*

BWR has essentially relied upon ATPL's audited financial results up to FY14 and projected financials upto FY 16 and information and clarifications provided by the Company.

The ratings reaffirmation has primarily factored the unconditional, irrevocable and continuing corporate guarantee for the entire bank facility from Assam Roofing Ltd (holding company of ATPL), the strong operational and financial linkages of ATPL with ARL and other Assam Roofing Group companies and the comfort provided by the parent company in ensuring regular servicing of its financial commitments. ATPL is importing raw materials for captive consumption for manufacturing of roofing sheets by the Assam Group. However, the rating is constrained by small scale and short track record of operations of the Company.

#### Background:

*Afflatus Trading Private Limited (ATPL)* incorporated in 2010, a 100% subsidiary of Assam Roofing Limited (ARL) promoted by Mr. Bhagirath Pasari and Mr. Ramesh Kumar Laddha. The main objective of the company is to import of certain raw materials, including zinc and asbestos

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

fiber, required by the Group for captive consumption in the manufacture of roofing sheets by the Assam Roofing Group comprising of 04 companies, namely: Assam Roofing Ltd, PDP Steel Ltd, North East Roofing Pvt. Ltd and Afflatus Trading Pvt Ltd. The company commenced commercial operations in the second-half of 2012-13, and started its activities through import a single shipment of zinc from Korea. However, Korea discontinued the export of zinc in the current year. Currently, it imports Asbestos fiber for manufacturing of Group's AC Sheet. Being a trading company they are claiming refund of 4% additional duty from customs authority after furnishing the proof of payment of local VAT. ATPL is not involved in any other trading activity other than related to group. ATPL is enjoying only short-term non-fund based working capital loans in the form of LC sanctioned by State Bank of India.

### Financial Performance:

Since the company started its operations in FY13, it has a short track record of operations. For FY14 it has reported revenue of Rs 15.19 crs when compared to Rs 8.03 Crs in FY13. The company has reported a PAT of ₹ 0.05 Crs for FY14.

As per the unaudited financials for the period ended on 31<sup>st</sup> December 2014, the company has achieved a turnover of Rs 48.03 crs and reported a PBT of Rs 0.12crs.

### Rating Outlook:

Company's operations are expected to be stable for the next year. The loans are backed by an unconditional, irrevocable and continuing corporate guarantee from ARL. Ability of the company to manage the raw material price fluctuation risks, regulatory risks and continuing support from the Group to ensure that there are no defaults in meeting its commitments would be key rating sensitivities.

<b>Analyst Contact</b>	<b>Relationship Contact</b>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone</b>	<b>Media Contact</b>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**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.