

Rating Rationale

Brickwork Ratings upgrades the long term and short term rating from BWR B & BWR A4 to 'BWR BB-' & 'BWR A4' to Agarwal Mittal Concast Private Limited's bank loan facilities aggregating ₹65.63 Cr.

Brickwork Ratings upgrades the long term and short term **Ratings**¹ from BWR B & BWR A4 to 'BWR BB-' & 'BWR A4' to Agarwal Mittal Concast Private Limited's (AMCPL or "the Company") bank loan facilities aggregating ₹65.63 Cr.

Facility	Previous Limits (₹Cr)	Current Limits (₹Cr)	Tenure	Previous Rating	Revised Rating
Fund Based CC Proposed CC Term Loan	31.00 - 12.22	35.00 15.00 3.63	Long Term	BWR B (Pronounced BWR Single B) Outlook-Stable	BWR BB- (Pronounced BWR Double B Minus) Outlook-Stable
Non Fund Based LC BG	- -	10.00 2.00	Short Term	-	BWR A4 (Pronounced BWR A Four)
Total	43.22	65.63 (INR Sixty Five Crore and Sixty Three Lacs only)			

BWR has principally relied upon the audited financial results of AMCPL up to FY 15, provisional financials up to Q3FY 16 and further projected financials and clarification provided by the management.

The assigned rating reflects the performance of the firm in FY 15 vis-à-vis FY 14. The rating derive comfort from the long track record of promoter, established relation with diversified client base, improved capital structure, its long presence in steel industry. However the rating remains constrained by AMCPL's modest scale of operation, working capital intensive nature of business, average customer concentration risk and fragmented nature of industry.

Company Background and Operations

The Company was incorporated in May 2008. It has been promoted by Mr. Suresh B. Agarwal. The company took over the assets of a bankrupt company, Jalan Forgings Limited in Halol, Baroda. The company has refurbished the manufacturing facility and installed an electric furnace, AOD converter and continuous casting machines to manufacture mild steel billets stainless steel billets and ferro alloys.

Financial Performance

During the FY15, the Company's has improved its total operating income by 64% from ₹ 137.86 Cr in FY14 to ₹226.28 Cr. The operating profit margin was 6.10% in FY14 and it significantly improved to 10.48% in FY15, while net profit margin was at 1.02% in FY14 and 0.88% in FY15.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

As per provisional figures for Q3FY16 (i.e. till December, 2015), the Company has earned an operating income of ₹209.85 Cr with net profit of ₹1.42 Cr.

The Company's networth stood at ₹ 17.34 Cr in FY15. The company's capital structure marked by debt equity ratio as on 31st March, 2015 is at 3.89 times. As per audited financials for FY15, ISCR stands at 1.28.

Outlook

The outlook is stable. Going forward, improvement in capital structure, ability to sustain in an intense competition, profitability, and effective management of working capital, retaining and expanding its clients would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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.