



Rating Rationale

Alankar Alloys Private Limited

10th March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Alankar Alloys Private Limited

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			
Cash Credit	23.00	Long Term	BWR BB+ (Pronounced BWR Double B Plus) [Outlook: Stable]
Book Debts upto 90 days	(6.00)		
Term Loan\$	11.24		
Proposed Cash Credit	10.00		
Total	44.24	Rupees Forty Four Crores and Twenty Four Lakhs Only.	

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

\$outstanding as on 28th Feb 2017

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Audited financials of FY14, FY15 and FY16 and Projected Financials of Alankar Alloys Private Limited for FY17 and FY18, publicly available information and information / clarification provided by the Company's management.

The rating draws strength from the experienced promoters of the Company, royalty based agreement with Jindal Bars Private Limited to use "JINDAL TMT", long lasting relations with the Customer and improvement in Profitability. However, the rating is constrained by the fact of the stretched working capital, geographic and customer concentration.

Going forward, the ability of the Company to improve operational level, profitability, diversify its customer base, timely debt servicing and manage its working capital efficiently will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the Alankar Alloys 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 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

Alankar Alloys Private Limited (AAPL) was incorporated on 16th Jan 2006 with the main objective of manufacturing of Re – Rolled Product and Induction Furnace

The Company is promoted by Mr. Lalit Kumar Agrawal and Mr. Akash Kumar Agrawal.

The Company sells the TMT bars under the Name of “Sagar TMT”. The company is licensed under agreement with Jindal Bars Private Limited to sell under the trademark of “JINDAL”.

Company Financial Performance

The Company's Net Sales has increased to Rs. 173.28Cr in FY16 from Rs. 168.07Cr in FY15. The Company has reported a profit after tax of Rs. 1.12Cr in FY16 against a profit of Rs. 0.80Cr in FY15. The Tangible Networth of the company has increased to Rs. 31.62Cr in FY16 from Rs. 30.50Cr in FY15. The Firm's ISCR stands at 1.89x in FY16. The Current Ratio currently for FY16 is 1.09x.

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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term / Short Term)	Amount (Rs in Cr)	Rating	2016	2015	2014
1	Cash Credit	Long Term	23.00	BWR BB+ (BWR Double B Plus [Outlook: Stable])	NA	NA	NA
2	Book Debts upto 90 days		'(6.00)				
3	Term Loan		11.24				
4	Proposed Cash Credit		10.00				

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.

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.