



## Rating Rationale

Amar Partap Steels Pvt. Ltd.

14<sup>th</sup> Feb 2017

**Brickwork Ratings revises the ratings for the Bank Loan Facilities of Amar Partap Steels Pvt. Ltd.**

### Particulars

Facility Rated	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous Rating (Aug 2015)	Rating
Cash Credit	18.00	18.00	Long Term	BWR BB Pronounced BWR Double B (Outlook: Stable)	BWR BB- Pronounced BWR Double B Minus (Outlook: Stable) [Downgrade]
Term Loan	0.45	1.66			
<b>Total</b>	<b>18.45</b>	<b>19.66</b>	<b>Rupees Nineteen Crores &amp; Sixty Six Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rating Downgraded

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financial results of Amar Partap Steels Pvt. Ltd. upto FY16 and projected financials upto FY18, publicly available information and information provided by the management.

The rating has, inter alia, factored in the experienced management and moderate tangible net worth. The rating is, however, constrained by difficult industry scenario, decline in sales, weak debt protection metrics and decline in profitability margins.

Going forward scaling up of business, meeting projections, improving profitability and ensuring timely service of debt would be the key rating sensitivities.



### Rating Outlook: Stable

BWR believes the **Amar Partap Steels Pvt. Ltd.** 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

Amar Pratap Steels Private Limited (APSPL), was incorporated in August 2004. The company was promoted by Amco group. APSPL is engaged in manufacturing of MS billets and TMT bars and other rolling services. The company commenced its commercial operation in the year 2005

### Company Financial Performance

APSPL's reported operating income of Rs. 117.08 Crs. with a net profit of Rs. 0.16 Crs. in FY16 against an operating income of Rs. 140.91 Crs. with a net profit of Rs. 0.13 Crs in FY15.

On provisional basis, the company has achieved sales of Rs. 103.52 Crs. for 3QFY17

### Rating History for the last three years (including withdrawn/suspended ratings)

Facility	Current Rating (2017)			Rating History		
	Tenure	Amount (RsCrs)	Rating	2016	Aug 2015	2014
Cash Credit	Long Term	18.00	BWR BB- (Outlook Stable) [Downgrade]	NA	BWR BB (Outlook Stable)	NA
Term loan		1.66				

### Hyperlink/Reference to applicable Criteria

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



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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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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