



Rating Rationale

Ambal Bricks Pvt Ltd

1 Dec 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 7.15 Crores of Ambal Bricks Pvt Ltd.

Particulars

Facility	Amount(in Crs)	Tenure	Rating
Cash Credit	1.00	Long Term	BWR B (Pronounced as BWR Single B) Outlook : STABLE
Term Loan	6.15		
TOTAL	7.15	(Rupees Seven Crores and Fifteen Lakhs Only)	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY17, Projection up to FY18 of **Ambal Bricks Pvt Ltd**, publicly available information and information/clarification provided by the Company.

The rating draws strength from the Promoters experience in this business and their ability to infuse funds on requirement. However the rating is constrained by Working capital intensive nature of business, small scale of operations in the intensely competitive construction material industry and fluctuating revenue trend.

Rating Outlook: Stable

BWR believes the Ambal Bricks 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 shows 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

Ambal Bricks Private Limited was incorporated in the year 2011, situated in Kulithalai, Karur District, Tamil Nadu. The directors are Mr. Mathivanan, Mr, Panneer Selvam T and Mr.M



Mahalingam. The company engaged in manufacturing and selling of various kinds of bricks, building blocks and tiles.

Company's Financial Performance

The company has earned PAT of Rs. 0.01Cr on Net Sales Rs. 1.00Cr in FY17. Debt Equity ratio in FY17, stands at 0.14times. Networth of the company as on 31st March 2017 is Rs. 5.00Cr.

Key Financial Indicators

Particulars	FY16(Actuals)	FY17 (Actuals)
Net Receipts (In Crs)	0.97	1.00
EBIDTA (In Crs)	0.20	0.17
PAT (In Crs)	0.06	0.01
Net worth (In Crs)	0.06	5.00
Total Debt / TNW (Times)	95.96	0.14

Rating History for the last three years: (including withdrawn/suspended ratings)

S.No	Instrument/Facility	Rating History					
		Type (Long Term/Short Term)	Amount (Rs Crs) (Proposed)	Rating-2017	2016	2015	2014
1	Cash Credit	Long term	1.00	BWR B	NA	NA	NA
2	Term Loan		6.15				
	TOTAL		7.15	Seven Crores and Fifteen Lakhs only			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
<p><u>R Varadarajan</u> <u>Chief Manager-Ratings</u></p> <p>analyst@brickworkratings.com</p>	<p>media@brickworkratings.com</p>
	<p>Relationship Contact</p> <p>bd@brickworkratings.com</p>
<p>Phone: 1-860-425-2742</p>	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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.