

RATING RATIONALE

09 March 2020

Ambica Aluminium

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 6.79 Crores of Ambica Aluminium based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Aug 2018)	Present
Fund based	6.79	6.79	Long Term	BWR B+ Stable (Upgraded)	BWR B Stable (Downgraded) Issuer Not Cooperating*
Total	6.79	6.79	INR Six Crores and Seventy Nine Lakhs Only		

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the firm has been revised and downgraded based on the available information as the client has not submitted any paper/information etc. for ascertaining the financial risk profile/performance of the company. We have therefore moved the rating under the “Issuer Not Cooperating” category.

The rating was due for surveillance in August 2019. The firm was being regularly followed up for the surveillance, vide emails dated 06.09.2019, 03.01.2020 and 20.01.2020 and through telephone calls dated 20.01.2020, 21.01.2020 and 03.02.2020 for obtaining the relevant and latest paper/ information for the review of the rating. The firm did not cooperate for undertaking the rating process in spite of following up several times. In the absence of adequate information from the firm and the bank, BWR is unable to assess the firm’s financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information and lack of management cooperation, BWR recommends to place the rating under Issuer Non Cooperating category and has further revised the long term rating of the Bank Loan Facilities of the company to BWR B+ (Stable).

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 18	FY 17
Result Type		Provisional	Audited
Operating Income	₹ Cr	30.19	14.42
EBITDA	₹ Cr	1.87	1.40
PAT	₹ Cr	0.04	0.01
Tangible Net Worth	₹ Cr	3.61	2.93
Total Debt /TNW	Times	2.19	2.56
Current Ratio	Times	1.46	1.24

FIRM PROFILE (Information as on August 2018)

Ambica Aluminium, a partnership firm was established in October, 2014. The partners of the firm are Mr. Mahendra Tank, Smt. Hansa Tank and Mr. Shashank Tank. Its registered office is located in Kolkata, West Bengal. The firm is engaged in manufacturing aluminium extruded products. Manufacturing unit of the firm is located in Balaghat, Madhya Pradesh with an installed capacity of 2400 Metric Ton (MT) Per Annum. It commenced its commercial production in July 2016 and FY18 was the 2nd year of its business operations.

The promoters' other group concerns are engaged in roof tiles manufacturing since 1985. Partners are well experienced and have a successful track record in running its ventures. Mr Mahendra Tank has a business experience of three decades while Mrs Hansa Tank, wife of Mr Mahendra Tank has around a decade of experience in business.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NIL

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	Previous (Aug 2019)	Previous (Aug 2018)	Initial (March 2017)
Fund based Term Loan	Long Term	2.79	BWR B Stable (Downgraded) Issuer Not Cooperating*	Rating Not Reviewed	BWR B+ Stable (Upgraded)	BWR B Stable (Reaffirmed)
Working Capital		4.00				
Total		6.79	INR Six Crores and Seventy Nine Lakhs Only			

*Issuer did not co-operate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

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ANNEXURE I

Ambica Aluminium Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Central Bank of India	Term Loan	2.79	-	2.79
2		Working Capital	4.00	-	4.00
TOTAL					6.79

INR Six Crores and Thirty Four Lakhs Only

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