



Rating Rationale

Ambika Decor Pvt Ltd

9 July 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 7.10 Crores of Ambika Decor Pvt Ltd.

Particulars

Facility	Type	Amount (₹ Crs)	Tenure	Rating*
Cash Credit	Fund based	2.50	Long Term	BWR B- (Pronounced as BWR Single B Minus) (Outlook: Stable)
Term Loan		4.60		
	Total	7.10	INR Seven Crores and Ten 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 essentially relied upon Ambika Decor Pvt Ltd (ADPL) Audited Financial Statements upto FY17 and projected Financial Statements for FY18 & FY19, publicly available information and clarification provided by the ADPL's management.

The rating derives comfort from the extensive experience of promoters. The rating is however constrained by small scale of operations and below average financial risk profile.

Going forward, ADPL's ability in consistently achieving projected revenue, the ability of the management to infuse capital, timely debt servicing and manage its working capital efficiently will be the key rating sensitivities.

Description of Key Rating Drivers

- **Credit Strengths:**

Promoters Experience: ADPL is promoted by Mr. Yogesh Sharma, Mr. Rajesh Sharma, Mr. Ravi Patel and Mr. Manoj Patel having an experience of more than a decade in this industry.

- **Credit Risks:**



Small Scale of Operations: ADPL has small scale of operations with operating income of Rs. 7.74 crs in FY17 as against Rs. 6.41 crs for FY16.

Below average financial risk profile: The financial risk profile is below average marked by negative net worth of Rs. (1.65) crs in FY17 as against Rs. (1.04) crs in FY 2016. The interest service coverage ratio (ISCR) is also on lower side and stands at 0.29x in FY17.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Ambika Decor 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

Ambika Decor Pvt Ltd (ADPL) was incorporated in the year 2011. ADPL is located in Indore, M.P. ADPL is engaged in manufacturing of paper based decorative laminated sheets and adhesive glues. ADPL is promoted by Mr. Yogesh Sharma, Mr. Rajesh Sharma, Mr. Ravi Patel and Mr. Manoj Patel. ADPL is having manufacturing facility in Pithampur Industrial Area, Dhar (Madhya Pradesh).

Company Financial Performance

In audited FY17, revenue and Net Loss of ADPL stood at Rs.7.74 Crs and Rs (1.34) Crs respectively. The Tangible Net Worth of the firm stood at Rs. (1.65) Cr in FY17.

Rating History for the last three years

S.No	Facility	Current Rating (2018)			Rating History		
		Type	Amount(₹ Crs)	Rating	2017	2016	2015
	Fund Based	Long Term	7.10	BWR B- (Pronounced as BWR Single B Minus) (Outlook: Stable)	NA	NA	NA
	Total		7.10	₹ Seven Crores Ten Lakhs Only			

Status of non-cooperation with previous CRA-

The company has previously been rated by CRISIL and subsequently moved to "rating suspended -



issuer not co-operating” category on 28th March 2016 due to non availability of requisite information to conduct the rating exercise.

Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	₹ Cr	7.74	6.41
EBITDA	₹ Cr	0.48	(0.51)
PAT	₹ Cr	(1.34)	(1.93)
Tangible Net worth	₹ Cr	(1.65)	(1.04)
Total Debt/Tangible Net worth	Times	(6.76)	(11.13)
Current Ratio	Times	0.32	0.37

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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 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.