



Rating Rationale

Assam Roofing Limited

5th April 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹ 89.47 Crs of Assam Roofing Limited (ARL or the ‘Company’).

Particulars

Facility Rated	Amount (₹ Crs)		Tenure	Ratings [^]	
	Previous	Present#		Previous (7-04-2016)	Present
Fund Based	77.00	83.47	Long Term	BWR A- (Outlook:Stable)	Reaffirmed BWR A- (Outlook:Stable)
Non – Fund Based	6.00	6.00	Short Term	BWR A2+	Reaffirmed BWR A2+
Total	83.00	89.47	(Rupees Eighty Nine Crores forty Seven Lakhs Only)		

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

#Details of facilities in Annexure I

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating continues to derive strength from promoters experience for more than four decades, the established market position of the Assam Roofing Group in North East India, long-standing customer and suppliers’ relationship, a significant market share in both the Asbestos Cement (AC) as well as the Galvanized Corrugated (GC) sheet roofing. The rating also factors in backward integration for manufacture of cold rolled (CR) coils for the GC sheet roofing through a group company (PDP Steels Ltd) which aids in better quality control, logistics and efficiency of operations and supports the profitability of the group. However, the rating is constrained by relatively low scale of operation and net worth, geographic concentration risk, recent volatility associated with raw material and finished goods prices and working capital intensive nature of operations. The rating reflects the position of the Company in roofing segment. Going forward, the Company’s ability to improve scale of operations & profitability margin in the competitive industry, ability to manage the raw material price fluctuation risks and managing working capital efficiently will be key rating sensitivities.



Rating Outlook: Stable

BWR believes the Assam Roofing 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

Assam Roofing Ltd (ARL) which is the flagship Company of Assam Roofing Group (Includes Assam Roofing Ltd, PDP Steel Ltd, North East Roofing Pvt. Ltd and Afflatus Trading Pvt Ltd) was incorporated in 1972 and commenced operations in April, 1978. The Company is promoted by Mr. Bhagirath Pasari, having a long track record of over four decades of manufacturing in the roofing industry. The manufacturing facility is located at Guwahati, Assam.

Company Financial Performance

The Company has recorded operating income of ₹ 297.82 Crs against ₹ 319.53 Crores in FY15 registering a 6.79% decline over the previous year and PAT of ₹ 6.70 Crs against ₹ 5.69 Crs in FY15.

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

Sl No	Instrument / Facility	Current Rating (2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	7-4-2016	1-4-2015	9-6-2014
1	Fund Based	Long Term	83.47	BWR A-	BWR A- (Outlook: Stable)	BWR A- (Outlook: Stable)	BWR A- (Outlook: Stable)
2	Non Fund Based	Short Term	6.00	BWR A2+	BWR A2+	BWR A2+	BWR A2+

Hyperlink/Reference to applicable Criteria

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



Analytical Contacts	Media
<i>Vidya Shankar</i> <i>Chief General Manager, Ratings</i> analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

Assam Roofing Limited

Annexure I

Type of Facility (₹ in Crs)		State Bank of India (27-5-2016)
Fund Based	Cash Credit	75.00
	Term Loan	8.47
Long Term Total		83.47
Non Fund Based	Bank Guarantee	6.00
	Letter of Credit	
Short Term Total		6.00
Total (Short & Long)		89.47

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 ₹ 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.