Rating Rationale

Block deal Developers Pvt Ltd

9th January 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Block deal Developers Pvt Ltd

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based (CC)	**5.00**	**Long Term**	**BWR B+ Outlook: (Stable)**
Non-Fund Based (FLC)	**2.00**	**Short Term**	**BWR A4**
Total	**Rs.7 Crores (Rupees Seven Crores Only.)**		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities: The ratings have factored inter alia, the promoters' immense experience in the field of timber business, improvement in Net worth and turnover Y-O-Y, and. The ratings are however; constrained by small scale of operation, low profit margins, intense competition and small area of operation, low customer base. The rating reflects the position and long experience of the company's in the timber business. Going forward improvement in scale of operations, improvement in the profit margin, increase the customer base and expanding area of operation will be key rating sensitivity factors.

Rating Outlook: Stable

BWR believes the Block deal Developers 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

Block deal Developers Private Ltd (BDPL) was incorporated in the year 2012 as a real estate development company. it was totally dependent on local traders and importers ,that's why the profit margin also less. In the previous financial year 2014-15, the firm was taken over by M/S. BLOCKDEAL DEVELOPERS PVT. LTD.After being a Pvt Ltd Company, it has started processing i.e. cutting and sizing as well as trading in timber logs. The company has also started direct import from overseas countries, due to which the company's profit margin has increased with-less volume of turnover.The company's registered office is at Trinity Building, AJC Bose Road, Kolkata, West Bengal. Factory Location is: Nasibpur, Hooghly, Singur, West Bengal. Timber Logs are procured from importers and other suppliers in Singapore and Kolkata.

Company Financial Performance

BDPL's net revenue from operation has increased from Rs.17.24 Cr in FY15 to Rs. 27.68 Cr in FY16.The company's tangible net worth stood at ₹ 11.78 Cr as on 31st March 2016.The company profit after tax of 0.13 to o.30.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	**Cash Credit**	**Long Term**	**5.00**	**BWR B+ (Stable)**	**--**	**--**	**--**
2	**FLC**	**Short Term**	**2.00**	**BWR A4**	**--**	**--**	**--**

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Trading Companies**
- **Short Term Debt**

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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, 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.