

Rating Rationale

Kirti Stampings Private Ltd.

10th July 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.11.73 Cr (INR Eleven Crores and Seventy Three Lakhs Only) of Kirti Stampings Pvt. Ltd. (KSPL)

Particulars

Facility Rated	Amount (₹ Cr)	Tenure	Rating*
Fund Based	9.73	Long Term	BWR BB- (Pronounced as BWR Double B Minus) (Outlook Stable)
Cash Credit	4.00		
Stand by Line of Credit	0.50		
Term Loan	5.23		
Non-Fund Based	2.00	Short Term	BWR A4+ (Pronounced as BWR A Four Plus)
LC	2.00		
Total	Rs 11.73 crores (Rupees Eleven Crores and Seventy Three 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 audited financial results of FY17, projected financial statements of FY18, publicly available information and information/clarifications provided by the management.

The rating draws strength from the extensive experience of promoters in the business. The company has increased the capacity leading to higher sales. However, the ratings are constrained by thin profit margins and moderate scale of operations. Revenue and profits have remained stagnant during FY17. Ongoing debt funded capex has resulted in a high gearing with total outside liabilities to tangible net worth at 2.39 (FY17), restricting the financial flexibility to an extent. The company faces intense competition from numerous players in the unorganized sector.

Rating Outlook: Stable

BWR believes that the Kirti Stampings 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

Kirti Stampings Pvt. Ltd was established as a partnership firm in the year 2006. It was converted to a private limited company in 2011. KSPL, promoted by Mr. Anil Kumar Singh and Mr. Shiv Kumar Singh, is engaged in the manufacturing of Cold Roll Grain Oriented (CRGO) electrical lamination for transformers and toroidal transformer core. The company also provides cut to size laminations as per client's requirement. These laminations caters to the requirements of transformer industry and power related industry. The company has its manufacturing facility at Palej, Bharuch.

Company Financial Performance

KSPL has reported an operating income of Rs 31.64 crores in FY 17 as against Rs 30.63crores in FY16. The company has reported PAT of Rs 0.44 crores in FY 17 as against Rs 0.42 crores in FY16.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based	Long Term	9.73	BWR BB-	N.A	N.A	N.A
2	Non Fund Based	Short Term	2.00	BWR A4+	N.A	N.A	N.A

Status of non-cooperation with previous CRA: Not Applicable.

Hyperlink/Reference to Applicable Criteria

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



Analytical Contacts	Media
Sunil Bharadwaj	media@brickworkratings.com
Assistant General Manager – Ratings.	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone: 1-860-425-2742	

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.