

Rating Rationale

Matrix Boilers Private Limited

26th April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 7.00 Crs of Matrix Boilers Pvt Ltd(MBPL)

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u> OCC Limit	4.00	Long Term	BWR B- Pronounced BWR B MINUS Outlook: Stable
<u>Non-Fund based</u> Bank Guarantee (2 years)	1.00		
<u>Fund Based</u> Packing Credit	1.00	Short Term	BWR A4 Pronounced BWR A FOUR
<u>Non-Fund Based</u> FDB/FBE Letter of Credit	0.50 0.50		
Total	Rs. 7.00 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:

BWR has essentially relied upon the audited financials results of the company up to FY16, projected financials, publicly available information and information/clarifications provided by the management.

The rating has factored vast and relevant experience of Promoters in the industry, Long track record of operations, working capital intensive nature of business, week demand in domestic market and delay in servicing of interest in cash credit account.

Rating Outlook: Stable

BWR believes the MBPL's 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

Matrix Boilers Pvt Ltd, incorporated in the year 2006, located in Trichy, Tamil Nadu. The promoters are Mr. N Pandian, Mr. A Sekar and Mr. K Murugesan. The company is manufacturing thermal equipments, IBR Boilers, thermal fluid heaters, hot air generators and non-pressure part equipments. The company is having sales branches and service centers in Tiruppur, Hyderabad, Orissa and Chennai.

Company Financial Performance

Net Sales has increased from ₹4.98Cr in FY15 to ₹5.71Cr in FY16. The Company shown net loss of Rs. 0.06Cr as against cash profit of Rs. 0.31Cr in FY16. Tangible Networth of the company has decreased in FY16 to 1.48Cr from 1.77Cr 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Rating History for the last three years: (including withdrawn/suspended ratings)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 (Rs Crs)	Rating	2016	2015	2014
1	OCC Limit	Long Term	4.00	BWR B-	NA	NA	NA
2	Bank Guarantee		1.00				
2	Packing Credit	Short Term	1.00	BWR A4			
3	FDB/FBE		0.50				
4	Letter of Credit		0.50				

Hyperlink/Reference to applicable Criteria

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

Analytical Contacts	Media
Varadarajan R Chief Manager Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

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, 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.