



Rating Rationale

Parthcrete Green Concrete Solutions LLP

25 Jun 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹.14.60 Crores of Parthcrete Green Concrete Solutions LLP.

Particulars

Facility (Proposed)	Amount (₹ Crs)	Tenure	Rating*
Fund based:(Proposed) Term Loan Cash Credit	12.00 2.60	Long Term	BWR B+ (Pronounced as BWR Single B Plus) (Outlook:Stable)
Total	14.60	INR Fourteen Crores and Sixty 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 the management certified financials of the firm upto FY18, Projected financials upto FY22, publicly available information and information clarifications provided by the Firm.

The ratings draw strength from vast experience of the partners and moderate improvement is expected in top line for FY20. However, the ratings are constrained by project implementation risk as the Unit is in very initial stage of establishment, Low Net worth & Pending financial closure.

Description of Key Rating Drivers

- Qualified & Experienced partners in construction related business, Mr.Santosh has 10 years experience as a Proprietor in Parth consultant and Town planning .
- Up till now, Implementation schedule in line with projected Implementation schedule.
- Operating profit margin is expected Moderate in FY20.
- Liquidity Position is expected moderate reflected in current ratio 1.58 for FY20.
- Expected high demand of the product in the market.
- Partners have strong contacts in the market.



Credit Risks:

- Financial closure yet to take place.
- Highly geared capital structure because of low net worth reflected in FY18 provisional.
- Unit is in very initial stage of establishment & firm is likely to face project implementation risk.
- Likely clientele risk will be from builder & real estate which is risk prone area.
- Competitive & fragmented industry due to low entry barriers from organised & unorganised players.

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 **Parthcrete Green Concrete Solutions LLP** 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 Firm

Parthcrete Green Concrete Solutions LLP was established as Limited Liability Partnership firm on 20th September 2017. The firm's registered office situated at F-04, star Mall, Nashik Pune Highway, Nashik road, Nashik. The firm's Factory is situated at Gut No. 714/2/1, Mauje – Waghera, Tal- Igatpuri, Dist. Nashik. The firm proposes to engage in manufacturing AAC and ALC blocks. The firm proposes to have 5 partners. Kirankumar Ghiya is the Managing partner of the firm and other partners are Santosh Ghiya, Rahul Ghiya, Savita Ghiya and Ambadas Shingare. All Partners are well experienced and qualified. They all are into construction related business. Commercial operations of the firm are expected to begin by March 2019. The plant is proposed to be set up at Nasik with a capacity to manufacture 150000 cubic meter per annum.

Firms Financial Performance

Commercial operations are expected to begin from March 2019. Presently the partners capital and unsecured loan are around Rs.0.01 Crs. The firm has provided CA certified certificate which shows raising of capital Rs.1.72Crs which has been invested in Land and site development Rs.1.62Crs & Rs.0.10Crs advance for building.



Rating History for the last three years

S.No	Facility	Current Rating (2018)			Rating History		
		Type	Amount (₹ Crs)	Rating	2017	2016	2015
1.	Fund Based	Long Term	14.60	BWR B+ (Pronounced as BWR Single B Plus) (Outlook:Stable)	-	-	-
	Total		14.60	₹ INR Fourteen Crores and Sixty Lakhs Only			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments:Not Applicable

Any other information : Not Applicable

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from website

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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, 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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

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