

Rating Rationale

Roton Vitrified Private Limited.

23rd May 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.36.68 Crores (INR Thirty Six Crores and Sixty Eight Lakhs Only) of Roton Vitrified Pvt. Ltd.

Particulars

Facility Rated	Amount (₹ Cr)	Tenure	Rating*
Fund Based	32.18	Long Term	BWR BB- (Outlook Stable) (Pronounced as BWR Double B Minus)
Cash Credit(H)	7.00		
EPCFBD/FCPC (Sub limit of CC)	(7.00)		
Term Loan	25.18		
Non Fund Based	4.50	Short Term	BWR A4 (Pronounced as BWR A Four.)
Bank Guarantee	4.50		
Total	Rs 36.68 crores (Rupees Thirty Six Crores & Sixty Eight 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 FY16, unaudited & provisional financial statement of 10M FY17 & projected financial statements of FY18 & FY 19, publicly available information and information/clarifications provided by the management.

The rating factors the extensive experience of the promoters in the business and locational advantage of operating from Morbi, Gujarat. The rating also considers the successful project execution and commencement of commercial operations in January 2016. The company has achieved the sales estimated for FY17. However, the rating is constrained by low scale of operations, high gearing and stressed liquidity. The rating also takes in to account the intense competition from numerous small tile manufacturers, centred largely in Morbi, as well as large organized players.

Rating Outlook: Stable

BWR believes that the Roton Vitrified Pvt. Ltd '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

Roton Vitrified Pvt. Ltd was incorporated on 17th May, 2014 as a private Limited company. The company commenced commercial operations from January 2016. The Company is engaged in the manufacturing of ceramic vitrified tiles. These products are widely used in residential buildings, commercial buildings, hotels, etc. Currently the company is selling its products under two different brand names- "Roton" & "Flamingo". Total installed capacity of the plant is 65100 MTS. The company has utilized 30% of its total installed capacity in FY16 & 63% in FY 17.

Company Financial Performance

Roton Vitrified Pvt. Ltd has reported sales of Rs3.08 Crs and booked losses of Rs 1.07 crores in FY16 from three months of operations. However, there were no cash losses. As per the provisional & unaudited results of 10M FY 17, the company has achieved sales of Rs36.78 Crs and PAT of Rs 0.43 Crs.

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	32.18	BWR BB-	N.A	N.A	N.A
2	Non Fund Based	Short Term	4.50	BWR A4	N.A	N.A	N.A

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

Hyperlink/Reference to Applicable Criteria

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

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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 ₹ 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

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