

Rating Rationale

Brickwork Ratings assigns “BWR B+/A4 (Outlook: Stable)” for existing Bank Loan Facilities amounting to ₹9.00 Cr of Sablok Enterprises

Brickwork Ratings has assigned **Ratings**¹ for the existing bank loan facilities of ₹9.00 Crores (INR Nine Crores Only) to Sablok Enterprises (“SEs” or the “Firm”) as follows:

Facility	Present Limits (₹ Cr)	Tenure	Rating
Cash Credit (Fund Based)	6.00	Long Term	BWR B+ (Pronounced BWR Single B Plus) (Outlook-Stable)
Bank Guarantee (Non-Fund based)	3.00	Short Term	BWR A4 (Pronounced BWR A Four)
Total	9.00	INR Nine Crores only	

BWR has essentially relied upon the audited financials up to FY15, provisional financial of FY16 and projected financials upto FY18 and publicly available information and information/clarifications provided by the Firm’s management.

The rating draws strength from experienced management, adequate interest servicing metrics and comfortable cash accruals, satisfactory gearing, moderate profitability margins and strong order book position/ongoing projects. However, the rating is constrained by low scale of operations, low partner's capital, tender based orders, fragmented and competitive nature of industry.

Background

Sablok Enterprises was established in the year September, 2003 as a partnership firm. Its registered office is located at Sagar, Madhya Pradesh. Mr. Kamal Sablok is the managing partner and Ms. Kavita Sablok is the other partner of the firm. The firm is primarily engaged in civil construction (mainly road construction & maintenance and earth work) for different Government . organisations e.g. MPRDC, MPPWD . The firm is registered as “A” category/class civil contractor with unlimited bidding amount in Madhya Pradesh.

Financial Performance:

The firm has achieved total operating income of ₹16.67 crs in FY15 as against ₹7.50 crs in FY14. During FY15, the firm has achieved a Profit after tax (PAT) of ₹1.01 crs. Partner's capital of the firm stood at ₹3.88 crs as on 31st March, 2015.

As per provisional financials of FY16, the company has achieved a total operating income of ~₹9.59 Crs.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the company to improve the revenues & margin levels, complete the ongoing projects within the scheduled time and improve the capital levels would be the key rating sensitivities.

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