

Rating Report

Brickwork Ratings assigns 'BWR B+/ A4' rating for the Bank Loan Facilities aggregating to Rs. 16.08 Cr of A-Class Marbles (India) Private Limited.

Brickwork Ratings (BWR) has assigned the following **Ratings**¹ for the Bank Loan Facilities of Rs. 16.08 Cr of A-Class Marbles (India) Private Limited ('AMPL' or 'Company').

Facility	Limits (₹ Cr)	Tenure	Rating
<u>Fund Based</u>			
Cash Credit	7.00	Long Term	BWR B+ (Pronounced BWR B Plus) (Outlook: Stable)
Term Loan	5.08		
<u>Non-Fund Based</u>			
FLC	4.00	Short Term	BWR A4 (Pronounced BWR A Four)
Total	16.08	(INR Sixteen Crore and Eight Lacs only)	

BWR has principally relied upon the audited financial results up to FY14, provisional financials for FY15 and projections for FY16 & FY17 and publicly available information and information/clarifications provided by the management.

The ratings factor in, inter alia, the promoter's experience of more than three decades in marbles trading business, healthy growth in operating income and improvement in capital structure on account of equity infusion by promoters. However, the ratings are constrained by low profit margins due to limited value addition, working capital intensive nature of operations and risk arising due to foreign currency fluctuations.

Management Profile:

The key management and promoters of the company are Mr. Rai Chand Bhandari, Mr. Rajesh Bhandari, Mr. Ramesh Bhandari, Ms. Niyati Bhandari and Ms. Preksha Bhandari, who are also the directors of the company.

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

Business Profile:

AMPL, incorporated in July 2005, was set up to carry out business in granite, marble, sand stone, cultured & quartz marbles, tiles and slabs. Currently, the company is engaged in processing and trading of marbles and slabs imported from Italy, Greece, Vietnam and China. The company has its processing unit at Kishangarh, Rajasthan with an installed capacity of 45 lac square feet per annum, which commenced commercial operations from December 2012. The company has its dealer network mainly in Delhi and Rajasthan.

Financial Performance:

AMPL reported total revenue from operations at Rs. 75.46 crore in FY14 as against Rs. 49.02 crore in FY13. The company has recorded total operating income of Rs. 84.56 crore provisionally for FY15. Operating Profit Margin and Net Profit Margin of the company was at 9.92% and 0.71% in FY14 respectively.

Rating Outlook:

The outlook is expected to be stable for the current year. Going forward, the company’s ability to increase scale of operations, improve profit margins and efficiently manage its working capital cycle remains the key rating sensitivities.

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Annexure I
Statement of Profit & Loss
A-Class Marbles India Private Limited

₹ Crores	FY12	FY13	FY14
Result Type	Audited	Audited	Audited
Gross Sales	35.17	49.14	76.37
Net Sales	35.17	49.02	75.46
Total Operating Income	35.17	49.02	75.46
Operating Expenses	32.44	43.98	67.98
OPBDIT	2.73	5.04	7.49
Depreciation/Amortization/Impairment	0.27	0.35	0.64
OPBIT	2.46	4.69	6.84
Interest and Finance Charges	1.92	4.18	5.82
OPBT	0.55	0.52	1.03
Non-Operating Income(Expenses)	-0.04	0.16	0.02
PBT	0.50	0.67	1.05
Provision for Taxes	0.16	0.30	0.30
PAT	0.34	-0.17	0.54

Annexure II
Balance Sheet
A-Class Marbles India Private Limited

₹ Crores	FY12	FY13	FY14
Result Type	Audited	Audited	Audited
LIABILITIES			
Equity And Reserves	4.31	7.14	11.03
Share capital	0.86	1.46	2.10
Reserves and Surplus	3.46	5.68	8.93
Non-current liabilities	9.03	20.29	23.17
Long-Term Borrowings	9.03	20.08	22.65
Deferred tax Liabilities (Net)	0.00	0.21	0.52
Current liabilities	32.37	55.05	42.70
Short-Term Borrowings	17.79	23.61	17.33
Current Portion Of Long Term Debt	0.30	0.22	1.33
Trade Payables	12.29	29.50	21.97
Other Current Liabilities	1.81	1.69	2.06
Short-Term Provisions	0.18	0.03	0.01
Total Liabilities	45.72	82.48	76.90
ASSETS			
Non-current assets	10.94	19.94	20.95
Net Fixed assets	7.25	14.03	20.06
Capital Work-In-Progress	2.84	4.98	0.18
Non-Current Investments	0.78	0.84	0.65
Other Non-Current Assets	0.00	0.10	0.06
Current assets	34.78	62.54	55.95
Inventories	15.49	35.33	26.44
Trade Receivables > Six Months	3.93	1.89	11.10
Trade Receivables < Six Months	8.22	18.15	13.80
Cash and Cash Equivalentents	1.51	0.24	0.56
Short-Term Loans and Advances	5.62	6.90	4.01
Other Current Assets	0.00	0.03	0.03
Total Assets	45.72	82.48	76.90