

## Karthik Roofings and Structurals Pvt. Ltd.

Instruments	Rating Limits (Rs. Crore)	Rating Action September 2016
Long Term – Term Loan	4.17	[ICRA]D (assigned)
Long Term – Cash Credit	2.00	[ICRA]D (assigned)
Short Term – Non Fund based facilities	3.83	[ICRA]D (assigned)

ICRA has assigned a long term rating of '**[ICRA]D**' (pronounced ICRA D)<sup>†</sup> to the Rs 4.17 crore term loan and to the Rs. 2.00 crore cash credit facility of Karthik Roofings and Structurals Pvt Ltd(KRSPL). ICRA has also assigned a short term rating of '**[ICRA]D**' (pronounced as ICRA D) to the Rs.3.83 crore non-fund based facilities of KRSPL.

The assigned ratings are constrained by delays in servicing of debt obligations by the company. The ratings are also constrained by the modest scale of operations, which limits financial and operational flexibility of the company to an extent. Further, the financial profile of the company is marked by high gearing and moderate coverage indicators. The operating margins are susceptible to adverse movements in raw material costs owing to the limited ability of the company to pass on any increase in costs to its customers. ICRA notes the high competitive intensity due to presence of large organized players, moderate entry barriers and ease of capacity addition, which also keep the margins under check. Additionally, the revenues of the company are vulnerable to slowdown in economic activities and growth in the end use industries. Although the long term demand outlook for the building infrastructure products is favourable, the ability of the company to increase its turnover and margins, while efficiently managing its working capital requirements and to generate adequate cash flows to meet its debt obligations will be key credit monitorables.

### Company Profile

Karthik Roofings and Structurals Pvt Ltd (KRSPL) was established in the year of 2013 as a manufacturer of pre-engineered building systems (PEB), Truss-less roofing system, Glass-wool insulated roofing system with a State of art manufacturing facility in Bangalore, promoted by Ms. Srinivas Leelavathi and Mr. Shivakumara Narasappa. The group company Karthik Roofings, established in 2011, is in to manufacturing of trapezoid steel sheets and accessories, tile profiled steel sheets, metal decking sheets, polycarbonate sheets, Z&C Section and turbo ventilators like PUF panels and EDS panels. KRSPL's products are fabricated at the plant at Tumkur, Bangalore and the facilities are spreads over 60,000 sq. feet. The products are manufactured using internationally accepted engineering practices in production, planning and control.

### Recent Results

During FY2016 (Provisional) the company reported a net profit of Rs. 1.11 crore on an operating income of Rs. 7.97 crore as against a net loss of Rs. 1.77 crore on an operating income of Rs. 0.54 crore during 3months FY2015.

**September 2016**

<sup>†</sup> For complete rating scale and definitions please refer to ICRA's Website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



*For further details please contact:*

*Analyst Contacts:*

**Mr. K. Ravichandran**, (Tel. No. +91-44-45964301)  
ravichandran@icraindia.com

**Mr. R Srinivasan**, (Tel. No. +91-44-4596 4315)  
r.srinivasan@icraindia.com

**Mrs. Ankita Sheth**, (Tel. No. +91-80-4922 5513)  
ankita.sheth@icraindia.com

**Mrs. Divya Bonagiri**, (Tel. No. +91-80-4922 5517)  
divya.bonagiri@icraindia.com

*Relationship Contacts:*

**Mr. Jayanta Chatterjee** (Tel. No. +91-80-43326401)  
jayantac@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved  
Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500