

DECEMBER 26, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF AMBEY MINING PVT. LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	40.0 (enhanced from 30.0)	'CARE A'; Stable (Single A; Outlook: Stable)	Reaffirmed
Short-term Bank Facilities	145.0 (enhanced from 70.0)	'CARE A1' (A One)	Reaffirmed
Total Facilities	185.00 (Rs. One Hundred and Eighty Five Crore only)		

Rating Rationale

The rating of AMPL continues to derive strength from the rich experience of the promoters with long track record in the area of mining, effective maintenance of large fleet of heavy equipment as well as impressive client portfolio backed by healthy order book position and satisfactory financial risk profile. The ratings are however, constrained by volatility in the fuel prices, risk of delays in project execution amidst regulatory nature of the mining sector and competition from unorganised sector.

Ability of the company to improve its overall performance by securing repeated orders from its existing set of customers through timely and successful completion of contracts, significant debt funded capex and any regulatory changes in the mining sector will remain the key rating sensitivities.

Background

Ambey Mining Private Ltd (AMPL), incorporated in 2005 and promoted by Mr. Narayan Prasad Agarwal provides a wide array of services in the mining sector like site leveling, excavation, evacuation, surface mining, drilling & blasting, transportation of overburden and coal.

Currently, the day-to-day operations of the company are looked after by Mr. Avishek Agarwal, MD and Mr. Saurabh Gupta (CFO), having rich business experience of over a decade.

AMPL earned PBILDT and PAT of Rs.88.4 crore and Rs.31.3 crore respectively on Total Operative Income of Rs.410.6 crore in FY16 as against PBILDT and PAT of Rs.64.3 crore and Rs.24.0 crore respectively on a Total Operative Income of Rs.404.7 crore in FY15.

During half year ended Sep. 30, 2016, the company has achieved a turnover of ~Rs.200 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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