



Rating Rationale

AMD Industries Limited.

21st April 2017

Brickwork Ratings reaffirms ratings for the Bank Loan Facilities of AMD Industries Limited

Particulars

Facility	Previous Limits (Rs Crs)	Present Limits (Rs Crs)	Tenure	Rating History	Present Rating
Fund Based					
Cash Credit	25.00	25.00	Long Term	BWR BBB (BWR Triple B) Outlook: Stable March 2016	BWR BBB (BWR Triple B) Outlook: Stable (Reaffirmed)
Term Loans*	55.36	59.31			
Non Fund Based					
SLC	5.00	5.00	Short Term	BWR A3 + (BWR A Three Plus) March 2016	BWR A3 + (BWR A Three Plus) (Reaffirmed)
Bank Guarantee/LC	35.00	35.00			
Total	120.36	124.31	(INR One Hundred Twenty Four Crores & Thirty One Lakhs Only)		

*Outstanding amount

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed:

Brickwork Ratings (BWR) has reaffirmed the ratings for the Bank Loan Facilities of AMD Industries Limited (AMD Industries Limited **or the ‘Company’**):

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial statements upto FY16, projected financials upto FY 18, publicly available information and information/clarifications provided by the company's management.

The ratings continue to draw comfort from the extensive industry experience of the promoters, comfortable financial risk profile marked by low gearing ratio, established relationship with its clients, frequent addition to its current installed capacity and modest networth in FY16. The ratings are, however, constrained by below average debt protection metrics, decline in net profits, working capital intensive nature of operations and stiff competition in the industry leading to limited pricing power of the Company.



Going forward the ability of the company to achieve projected turnover, improve its profitability, improve its debt protection metrics and manage its working capital efficiently would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the AMD Industries Limited 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

AMD Industries Ltd was incorporated in 1983. The Company is engaged in the business of packaging for carbonated soft drinks, and caters to the domestic and overseas beverages industry. Clients include Coco Cola, PepsiCo, Hindustan Lever Limited, Foster India Limited, United Breweries, SAB Miller PLC amongst others. The Company has three product lines which include Crown Caps (Metallic closures for glass bottles), PET Preforms and Plastic Closures. The Company has two manufacturing facilities based at Ghaziabad (Uttar Pradesh) and Neemrana (Rajasthan).

Company's Financial Performance.

The company reported total operating income of Rs 171.14 Crs and PAT of Rs 2.69 Crs in FY 16 as against net revenue of Rs 171.29 Crs and PAT of Rs 5.37 Crs in FY15. Tangible Net Worth stood at Rs. 122.82 Cr as on March 31 2016, as compared to Rs. 121.29 Cr as on March 31, 2015.

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 March	2015 January	2014 January
	Fund Based	Long Term	84.31	BWR BBB	BWR BBB	BWR BBB	BWR BBB-

	Non Fund Based	Short Term	40.00	BWR A3+	BWR A3+	BWR A3+	BWR A3

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [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

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.