

Rating Rationale

Brickwork Ratings assigns 'BWR BB-' & 'BWR A4' for the Bank Loan facilities aggregating to ₹12.50 Cr of AMI Enterprises

Brickwork Ratings has assigned the following **Ratings¹** for Bank Loan facilities of AMI Enterprises.

Facilities	Limits (₹ Cr)	Tenure	Rating
Fund Based (FB):			
Cash Credit	12.50	Long Term	BWR BB- (Pronounced BWR Double B Minus) (Outlook : Stable)
W/w FDBP/FUDBP (DP/DA-120 DAYS)	(8.50)		
W/w Packing Credit	(2.00)		
Non Fund Based :			
Import of Letter of Credit	(10.00)	Short Term	BWR A4 (Pronounced BWR A Four)
LOC/ Buyers Credit	(10.00)		
Total Limits	12.50	INR Twelve Crores and Fifty Lakhs Only	

BWR has essentially relied upon the provisional financials of FY16 and projections of FY17, FY18 & FY19 publicly available information and the information/clarification provided by the management.

The rating has factored, inter alia, the strength it derives from the promoter's business experience and well established relationship with customers and suppliers.

However, the rating is constrained by its relatively small scale of operation, thin profitability margin, average debt protection indicators, stiff competition from established players in market and susceptibility of profitability margins to volatile raw material prices.

Background:

AMI Enterprises is a partnership firm established on 20th March 2014. Mr. Mithun Shah and Mr. Tejas Mhatre are the partners of the firm. AMI Enterprises is engaged in the wholesale business of watches, fashion accessories, food products and building material. AMI Enterprises import these products from the international market and sell it to them in India and Middle East market. AMI market their product through online portal like Flipkart, Snapdeal and Amazon. The firm's registered office is located at Virar.

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

Management:

Mr. Mithun Shah and Mr. Tejas Mhatre are the partners of the firm having experience in the line of trading. The firm has a well experienced management.

Financial Performance:

The firm commenced its operations in Oct, 2015. As per provisional financials of FY16, the firm has achieved operating income of Rs.20.11 crore with a profit of Rs.0.26 crores. Profitability, both operating profit margin and PAT margin are at 2.24% and 1.27% respectively.

Rating Outlook:

The Rating outlook is expected to be stable in near term. Going forward, the ability of the firm to increase its scale of operations, achieve projected financial, improve its profit margins, strengthen its capital structure and sustain its working capital efficiently would be the key ratings sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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.