



Rating Rationale

AMN Enterprises

28th November 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹ 25.00 Crores of AMN Enterprises.

Particulars

Facility Rated	Amount (Rs Crores)	Tenure	Rating
Fund Based Demand Cash Credit	25.00	Long Term	BWR B+ [Pronounced BWR Single B Plus] (Outlook:Stable) (Assigns)
Total	25.00	Rs Twenty Five Crores Only	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied on Un-Audited Financials of FY 14 and FY 15 and CA Certified Financials of FY 16 and FY 17 and Cash Flows, publicly available information and information/clarification provided by firm's management

The Ratings draw strength from experience of partners in firm and project located in favorable location. The Ratings are constrained by stiff competition, inherent cost and time overrun risks, inherent risks associated with timely completion of project and obtaining and validating various approvals

Description of Key Rating Drivers

- **Credit Strengths:**

Experience of Partners: The Partners have experience of over two decades

Project Located in favorable location: The Project is located near to all essential amenities

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- **Credit Risks:**

The Project is susceptible to inherent cost and time overrun risks and risks associated with timely completion of project and validating various approvals

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes the **AMN Enterprises** 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.

Project

The project site is located near Amboli Phatak at Jogeshwari East, which is a fully developed suburban locality in the city. The project offers location advantage. In 15 minutes walk, one can reach at Jogeshwari Railway Station, Andheri Railway Stations, Andheri Metro Station (WEH) and on Western Express Highway. The project land is owned by the firm. The total plot area is 2911.10 Square meters . The proposed Net Owned Fund (NOF) for the project is Rs. 17.45 Cr of which the firm has already incurred Rs. 8.10 Cr as Net Owned Fund towards construction of the project. Promoters contribution towards the project is 25.00% of the total project cost. Balance promoter contribution will be in proportion to the loan amount proposed to be disbursed in accordance with the cash-flow statements .The project will be partly funded through advances received from prospective customers against booking. As the per the cash flow statement, approximately Rs. 27.34 Cr of advances received from potential customers will be utilized into construction of the project. The firm has sold 6 units so far from which it has received advance of Rs. 4.39 Cr. The firm has requested for Project Cash Credit of Rs. 25.00 Cr from the bank.

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About the Firm

AMN Enterprises, established on 03-April-1992 is a registered partnership firm that belongs to Nipra Infra Group. Nipra Infra was established in 1991 as a real estate development company. The firm has been co-promoted by Jayanti Parmar, and Rajendra Bhatnagar. Prior to founding Nipra, Mr. Jayanti Parmar was heading contracting firms in the middle east executing projects on a large scale. He has been involved in some of the projects in Kuwait (Kuwait Court Complex, Al Muthanna Complex - one of the tallest buildings in Kuwait in the early nineties, Safat Kuwait etc

Firm Financial Performance

The Total Operating Income for FY 16 and FY 17 is Rs 0.01 Cr and Tangible Networth for FY 16 is Rs 2.44 Crores and for FY 17 is Rs 2.93 Crores. PAT for FY 16 is Rs 0.01 Cr and for FY 17 is Rs 0.02 Cr

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	FY 16	FY 15	FY 14
1)	Fund Based Demand Cash Credit	Long Term	25.00	BWR B+ (Outlook: Stable) (Assigns)	NA	NA	NA
Total			25.00	INR Rs Twenty Five Crores Only			

Status of non-cooperation with previous CRA (if applicable)-NA

Any other information-NA

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Key Financial Indicators

Key Parameters	Units	2017 CA Certified	2016 CA Certified
Result Type			
Operating Revenue	₹ Cr	0.01	0.01
EBITDA	₹ Cr	0.60	0.36
PAT	₹ Cr	0.02	0.01
Tangible Net worth	₹ Cr	2.93	2.44
Total Debt/Tangible Net worth	Times	1.05	0.57
Current Ratio	Times	2.58	10.74

Hyperlink/Reference to applicable Criteria

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

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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

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