



Rating Rationale

Aman Metal Finishers

25 July 2018

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 5.17 Crores of Aman Metal Finishers.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Mar, 2018)	Present
Fund based	6.28	5.17	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Issuer not cooperating (Outlook: Stable)	BWR BB- (Pronounced as BWR Double B) Outlook: Stable Reaffirmed
Total	6.28	5.17	INR Five Crores Seventeen Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings The firm being a proprietorship concern has not provided audited financials of FY 18 even as on 20.7.2018

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financial results upto FY17, management certified provisional financial of FY18, projected financial data of FY19 & FY20 and publicly available information and the information/clarifications provided by the firm.

The rating draws strength from the track record of the firm , experience of the proprietor, satisfactory interest and debt service coverage , increased net profit margin . However, the rating is constrained by small scale of operations with reduced revenues , high gearing , reducing operating profit margin, inherent risk of the firm and high conversion cycle

The proprietor handles day to day operations of two firms (Aman Metal Finishers and Komal Metal



Finishers) with similar business line and has vast knowledge on the running of the business.

Going forward, the ability of the firm to enhance the scale operations with increased revenues and profit and profitability margins, reduce the gearing level by infusing own funds and service the repayment obligations promptly would be the key rating sensitivities.

Description of Key Rating Drivers

Credit Strengths:

The firm has been operating since 2006, Proprietor is experienced about 12 years
Interest coverage ratio is at 2.11 X in FY17 and debt coverage ratio is at 1.07 X in FY17
Net Profit Margin is at 4.41% in FY17

Credit Risks:

Small scale of operations with reduced revenues on Y-on-Y basis with the total operating income in FY18 was reduced to ₹30.03 Crs, down from Rs 34.08 Crs in FY17 and down from Rs 35.68 Crs in FY16, Gearing is at 2.14X in FY18, operating profit margin is on reducing basis and was at 12.52% in FY17 reduced to 11.79% in FY18, Inherent risk being proprietorship concern

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 **Aman Metal Finishers** 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 Firm

Aman Metal Finishers (AMF or "the firm") was established as a proprietorship in the year 2006 as an auto ancillary and has been operating since 12 years. The firm is involved in the business of Hard Chrome Plating, Zinc Plating, Phosphating and Spray Paint of Auto Parts. Its business unit is located in Haridwar. AMF has total of 1 manufacturing unit, which work in 3 shifts and with the help of around 50 employees.

Firm Financial Performance

The firm reported a total operating income of ₹ 34.08 Crs in FY17 and ₹ 35.68 Crs in FY16. Net profit margin was at 4.41% in FY17 and 5.63% in FY16. Tangible Net Worth stood at ₹ 4.75 Crs as on 31st March 2017 and ₹ 5.13 Crs. on 31st March, 2016.

According to the provisional financial data of FY18, the total operating income was ₹ 30.03 Crs, the net profit margin was 5.01% and the Tangible Net Worth was ₹ 5.61 Crs as on 31st March, 2018.

Rating History for the last three years

S.No	Facility	Current Rating (2018)			Rating History		
		Type	Amount (₹ Crs)	Rating	29.3. 2018	20.10, 2016	4.5.2015
1.	Fund Based	Long Term	5.17	BWR BB- (Pronounced as BWR double B Minus) (Outlook: Stable) Reaffirmed	BWR BB- Downgraded Issuer not Cooperating (Outlook Stable)	BWR BB+ Reaffirmed (Outlook: Stable)	BWR BB+ Reaffirmed (Outlook: Stable)
Total			5.17	₹ Five Crores Seventeen Lakhs Only			

previous rating history(before May 2015): on 10.12.2012 initial rating was done and assigned rating of BWR BB+ and on 11.11.2013 a survivallance rating was done and rating of BWR BB+ was provided

Status of non-cooperation with previous CRA :None

Any other information: Nil

Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type			
Operating Revenue	₹ Crs	34.08	35.68
EBITDA	₹ Crs	4.27	5.32
PAT	₹ Crs	1.50	2.01
Tangible Net worth	₹ Crs	4.75	5.13
Total Debt/Tangible Net worth	Times	4.14	3.56
Current Ratio	Times	2.42	2.05

Hyperlink/Reference to applicable Criteria

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



- [Infrastructure Sector](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

DISCLAIMER

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