

Rating Rationale

Ameya Perfomatt Pvt Ltd

September 26, 2017

Brickwork Ratings assigns rating for the Bank Loan Facilities amounting to Rs. 12.37 Crs of Ameya Perfomatt Pvt Ltd

Particulars:

Facilities Rated#	Amount (Rs. Crs)	Tenure	Rating *
Fund Based	7.07	Long Term	BWR BB- (Pronounced BWR Double B Minus) (Outlook: Stable)
Corp Vyapar OD	5.00		
Term Loan	2.07		
Non-Fund Based	5.30	Short Term	BWR A4 (Pronounced as BWR A Four)
LC	5.00		
Letter of Discounting	0.30		
Total	12.37	INR 12.37 Crores (INR Twelve Crores and Thirty Seven Lakhs Only)	

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

Rationale/Rating Sensitivities:

BWR has essentially relied upon the Company's audited financial results of FY17, projected financials up to FY19, publicly available information and the information/clarifications provided by the Company.

The ratings draw strength from the vast industry experience of the promoters in the current line of activity, increasing trend observed in operating and net profit margins, pan India clientele base with low concentration risk. The ratings are, however, constrained by high gearing levels, below average debt service protection matrix and thin profit margins.

The ability of the company to expand its scale of operations and improve its profitability margins will be the key rating sensitive.

Analytical Approach: BWR has factored in the projections provided to the lenders. Rating criteria used has been mentioned in the hyperlinks given below for reference.

Credit Risk Analysis:

Company has a reputed clientele base with low concentration risk. Moreover the company has supply tie ups with known names like Siegwark, Cabot and Henkel.

The company has been in current business for over almost two decades and has a pan India presence.

September 26, 2017

After declining in FY 16, the revenues have improved marginally from Rs 26.52 Crs (FY 16) to Rs 28.06 Crs in FY 17. Though the profitability has improved in FY17, it continues to be low with NPM at 0.62%.

Gearing is high with total outside liabilities to tangible net worth at 4.16x (FY17) thereby restricting the financial flexibility of the company to a certain extent. The debt servicing capacity is stressed with ISCR at 1.15x & DSCR at 0.77x.

Rating Outlook: Stable

BWR believes that Ameya Peromatt Pvt. Ltd.'s 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:

Based out of Vadodara in Gujarat, Ameya Perfomatt Pvt Ltd. and formerly named as Ameya Dyechem Pvt Ltd was established in 1996. The company is promoted and managed by Gautam Bafna and relatives. The company is having branch and warehousing facilities with centralized supply and logistic support in Mumbai, Ahmedabad, Delhi, Guwahati and Indore. The company is engaged in trading and supplying of various chemical products.

Company's Financial Performance:

Key Financial Figures			
Particulars	Unit	FY16	FY17
Operating Income	Rs. Crores	26.52	28.06
EBITDA	Rs. Crores	1.60	1.82
PAT	Rs. Crores	0.04	0.17
Tangible Net worth	Rs. Crores	4.98	5.08
Total Debt :TNW	Times	3.27	3.17
Current Ratio	Times	1.57	1.57

Rating History for the last three years:

Sl. No.	Facility	Current Rating (July 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Corp Vyapar OD	Long Term	5.00	BWR BB-	NA	NA	NA
2.	Term Loan		2.07				

Non Fund Based							
1.	LC	Short Term	5.00	BWR A4	NA	NA	NA
2.	Letter of Discount		0.30				
Total		Rs 12.37 crores (INR Twelve Crores and Thirty Seven Lakhs Only.)					

Hyperlink/Reference to Applicable Criteria:

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

Analytical Contacts	Media
<p>Sunil Bharadwaj AGM - Ratings analyst@brickworkratings.com</p>	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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.