

## Rating Rationale

### Amita International

6 March, 2017

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**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Amita International**

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#### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based-Cash Credit	2.50	Long Term	BWR B (Pronounced as Single B) Outlook : Stable
Non Fund Based- FLC	3.50	Short Term	BWR A4 (Pronounced as A Four)
<b>Total</b>	<b>Rs. 6.00 Crores (Rupees Six Crores Only.)</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

#### Rationale/Description of Key Rating Drivers

The rating, inter alia, factors in the proprietor's business experience, established relationships with the customers and suppliers, and moderately comfortable capital structure. However, the rating is constrained by inherent risks associated with the trading nature of business and proprietorship nature of ownership, very low profitability margins and a highly leveraged capital base.

#### Rating Outlook: Stable

BWR believes the Amita International'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 Firm

The firm was set up in 2010 as proprietorship firm at New Delhi and is managed by its proprietor Mr. Krishan Kumar Aggarwal. The firm is engaged in the trading of petrochemical products such as plastic granules, EVC and PVC resins etc. procured from the Korea, Thailand and suppliers based at Delhi. It sells the same to various footwear manufacturers and units located in the states of Delhi and Haryana.

### Firm's Financial Performance

Revenue has increased by 32% from Rs. 14.14 Cr in FY15 to Rs.18.79 Cr in FY16. However, profits declined by almost 39% i.e. from Rs.1.07 Cr in FY15 to Rs. 0.65 Cr in FY16. Tangible Networth stood at Rs.0.94Cr in FY16.

### Rating History for the last three years: (including withdrawn/suspended ratings)

Facility	Tenure	Rating Assigned (2017)			Rating History		
		Present Amount (Rs. Crs)	Amount Rated (Rs. Crs)	Rating	2016	2015	2014
Cash Credit	Long Term	2.5	2.5	BWR B (Pronounced as Single B) Outlook: Stable	NA	NA	NA
FLC	Short Term	3.5	3.5	BWR A4			
<b>Total</b>		<b>6</b>	<b>6</b>	<b>Rupees Six Crores Crore only</b>			

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

Any other information- NIL

### Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
Ashwini Mital Sr GM	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<b>Relationship Contact</b>
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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**

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