



Rating Rationale

Amman Industries

27 Dec 2018

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹11.85 Crores of Amman Industries

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *		Present
	Previous	Present		Previous October 2016	Previous Mar 2018	
Corp Vyapar Over Draft (CVPOD)	11.85	11.85	Long Term	BWR B (Pronounced BWR single B) (Outlook : Stable)	Rating not reviewed	BWR D (Pronounced BWR D) Downgrade
Total	11.85	Rs.11.85 Crores (Rupees Eleven Crores and Eighty Five Lakhs Only)				

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials in of FY17, provisional financial of FY18 and publicly available information and information/clarifications provided by the concern.

The rating reflects the extensive industry experience of the promoters' in timber trading industry, well -established clientele. The ratings are, however, constrained by ongoing delay in debt servicing on account stressed liquidity position of the concern. The ability of the concern to improve its liquidity and regularize its bank loan accounts will be the key rating sensitives.



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).

About the concern

Amman Industries was established on 15 July 2002 by Mr. Jeethendra Patel as a proprietorship concern. The concern is engaged in the import and trading of round timber logs. It also undertakes bulk orders for making wooden doors, furniture and fixtures for which recruits contract based carpenters. The factory is located at Puducherry (Pondicherry) with the nearby Tuticorin port facilitating easy imports of timber.

Concern's Financial Performance

As per provisional financial of FY18, the revenue of the concern is Rs.34.26 crs.

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Provisional	Audited
Operating Revenue	₹ Cr	34.26	24.15
EBITDA	₹ Cr	(0.02)	0.74
PAT	₹ Cr	0.06	0.10
Tangible Net worth	₹ Cr	0.64	0.55
Total Debt/Tangible Net worth	Times	18.58	24.66
Current Ratio	Times	1.01	1.20

Rating History for the last three years

Sl. No	Instrument/ Facility	Current Rating (Year 2018)		Rating History			
		Type (Long Term/Short Term)	Amount (Rs Crs)	Dec 2018	Mar 2018	2017	Oct 2016
1	Corp Vyapar Over Draft (CVPOD)	Long Term	11.85	BWR D (Pronounced as BWR D) Downgrade	Rating not reviewed	NIL	BWR B (Pronounced BWR single B) (Outlook: Stable) Reaffirmed
	Total		11.85	INR Eleven Crores and Eighty Five Lakhs Only			

Status of non cooperation with Previous CRA : NIL

Any other information: Non Applicable

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from websit



Analytical Contacts	Media
<u>R Varadarajan</u> Chief Manager-Ratings	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

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.



DISCLAIMER

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