

Rating Rationale

Brickwork Ratings assigns 'BWR D' for the Bank Credit Facilities of Amrit Duraparts Private Limited (ADPL)

Brickwork Ratings has assigned the following **Rating¹** to the Bank Loan Facilities aggregating Rs20.46 Cr (INR Twenty Crores Forty Six Lakhs only) of Amrit Duraparts Private Limited

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based			
Cash Credit	6.50	Long Term	BWR D (Pronounced as BWR Single D)
Term Loan	12.46		
Export Packing credit	0.50	Short Term	BWR D (Pronounced as BWR Single D)
Standby Line of credit	1.00		
Total	20.46	INR Twenty Crores & Forty Six Lakhs only	

BWR has essentially relied upon the audited financials up to FY14, provisional data for FY 15, FY 16 and FY 17 projections, publicly available information and information/clarification provided by the company's management.

The rating is constrained by the company not servicing its term loans and other bank loan accounts timely, its comparatively small scale of operations, high gearing levels and low Tangible Net worth, relatively tight liquidity position with a stretched conversion cycle. However rating also factors in the growth seen in revenues, healthy operating profit margins, a reputed customer base and company's portfolio being diversified with wide variety of products.

Background:

Amrit Duraparts Private Limited (ADPL) was incorporated on the 25 August 2004. The registered office of company is at Goraya, Distt. Jalandhar (Punjab). ADPL is engaged in the manufacturing of sand castings in gray cast iron and ductile iron for various industry segments like tractors, agriculture, construction equipment, mechanical and power sectors. Amrit Engineering and Foundry Works is an associate firm of ADPL.

Financial-Performance:

During FY14, the company reported revenues of Rs.23.98 Cr, as against revenues of Rs.9.69 Cr in FY13. The company reported Net Profit of ₹ 0.10 Cr in FY14 against Net loss of Rs.1.56 Cr in FY13. The Net-worth stood at ₹ 5.57 Cr in FY14 as against ₹3.38 Cr in FY13.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

As per provisional data for FY 15, the company has registered Gross Sales of ₹ 27.75 Cr. The Net-worth stood at Rs4.78 Cr in FY 15 as per the provisional data.

Rating-Sensitivity:

Timely payment of debt and increase in scale of operations would be key rating sensitivities.

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