Rating Rationale

Brickwork Ratings assigns 'BWR B+' & 'BWR A4' for the Bank Loan Facilities aggregating ₹ 35.10 Cr of Amrit Supply Company Private Limited.

Brickwork Ratings (BWR) has assigned the following **Ratings**[1] for Bank Loan Facilities of Amrit Supply Company Pvt. Ltd *('ASPL' or the 'Company')*, availed from *Union Bank of India:*

Facility	Limit (₹ Cr)	Tenure	Rating
Fund Based Cash Credit Limit	**20.00**	**Long Term**	**BWR B+** (BWR B Plus) **Outlook : Stable**
Non Fund Based Import/Inland LC Letter of Guarantee	**15.00** **0.10**	**Short Term**	**BWR A4** (BWR A Four)
Total	**35.10**	**(INR Thirty Five Crores & Ten Lakhs only)**	

BWR has principally relied upon the audited financial statements up to FY13, projected financial statements up to FY14, publicly available information and information/clarifications provided by the company's management.

The ratings reflect the experienced promoters with long track record of operations in the timber industry, PAN India presence of the flagship Company (Mayur Plywood Industries Private Limited), moderate leverage position and strong demand from furniture manufacturers and construction companies. However, the ratings are constrained by high working capital intensive nature of operations and Company's presence in the highly competitive and segmented industry.

Company Profile:

Amrit Supply Company Pvt. Ltd was incorporated in the year 1997. The Company (through its unit: Mayur Veneer & Plywood Industries) is engaged in the manufacturing & trading of timber, veneer and other related products. The manufacturing unit is located at Hooghly, West Bengal. The Company imports timber logs from the suppliers located in Singapore and for trading purpose, it procures sawn timber from local vendors. Major revenues are contributed by the trading of sawn timber which constitutes almost 75 percent of the total operating income during FY13.

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

Management Profile:

ASPL is a part of Mayur Group owned by More family of Kolkata, with other units in the same line of business activity. Mayur Plywood Industries Private Limited, one of the group companies owned 99.90 percent of ASPL. Mr. Prakash More, one of the key promoters has more than two decades of experience in the Plywood Industry. The key management team of the Company comprises of Mr. Deepak Kumar More and Mr. Prakash Kumar More.

Group Profile:

Mayur Plywood is the No. 3 Brand in “Plywood & Allied Products” segment in the country. Mayur Brand has been awarded with “Star Brand” and “Power Brand” certifications. It has a very effective marketing network all over India through its Depots at Major cities, Sub dealers, Retail shops and dedicated Sales force of its own.

ASPL uses the Sales Force and Distribution Channels of Mayur Plywood Industries Pvt. Ltd. Thus the Company has effectively managed to have the pan- India presence and markets its products under Brand names of “Mayur” and “Alpine”.

Financial Performance:

Net sales increased from ₹ 65.19 Cr in FY12 to ₹ 71.58 Cr in FY13. The Company registered a profit of ₹ 0.36 Cr in FY13 against a profit of ₹ 0.31 Cr in FY12.

ASPL has a moderate debt protection with Total Debt/Tangible Net worth of 0.74 times in FY13. Further, it is expected to increase on account of enhancement in Cash Credit Limit during FY14. The tangible net worth stood at ₹ 9.13 Cr in FY13 as compared to ₹ 8.77 Cr in FY12.

Rating Outlook:

The outlook of the company is expected to be stable for the current year. Going forward, the ability of the company to sustain the growth in sales and improve its margins in a competitive market, to improve its conversion cycle ratio and manage its working capital efficiently would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com