

## Rating Rationale

**Brickwork Ratings assigns BWR BB+ (Pronounced BWR Double B Plus) ratings for Bank Loan Facilities amounting to INR 5.23 Crores of Aman Metal Finishers (AMF)**

**Bank Loan Facilities Rating: BWR BB+**

**Outlook:Stable**

Brickwork Ratings (BWR) has assigned ratings for the following Bank Loan Facilities of INR 5.23Crores sanctioned to the proprietary firm Aman Metal Finishers (AMF or the Firm.)

Facility	Tenure	Amount	Rating
Fund Based Working Capital Limits – Cash Credit	Long Term	₹3.85 crores	<b>BWR BB+ (BWR Double B plus) (Outlook: Stable)</b>  Facilities with this rating are considered to have <b>moderate risk</b> of default regarding timely servicing of financial obligations.
Term Loan - I	Long Term	Outstanding : ₹1.38 crores	
<b>Total ₹5.23Crores (Rupees Five Crores and twenty three lakhs Only)</b>			

BWR has principally relied upon the audited financial results of FY10, of FY11 and FY12, projected financials of FY13 of AMF, the proprietary concern of Mr. Anil Bhati, publicly available information and information/clarification provided by AMF.

### Background:

**AMF**, a Proprietary concern, was started in the year 2006, an auto ancillary unit located in Haridwar vendor's park SIDCUL Industrial Estate.

AMF is involved in electorplating, coating, painting of auto parts, majorly two wheeler auto parts. The firm's three major clients namely Emkay Automobile Industries ltd, Bajaj Auto ltd and Munjal Showa Ltd are contributing more than 80% of firm's revenue for FY12.

The firm has Associate concerns doing similar business namely, Komal Hardchromer Plates Pvt Ltd Haryana, Komal Metal Finishers Haridwar, Komal Coating Pvt Ltd Rewari, Haryana.

The firm's business is totally dependent on two wheeler auto segment which is presently doing well due to huge demand of two wheelers in the market.

### Financial Performance:

The Net Revenue from operations increased from ₹ 14.46 Crores FY11 to ₹ 23.73 Crores in FY12. The Profit before tax improved from ₹ 0.54 Crores in FY11 to a Profit before tax of ₹1.16 Crores in FY12. As the taxability of proprietor is considered in his individual capacity, the firm does not provide for tax in its accounts. The brief financials are at Annexures I & II

### Rating Outlook:

Aman Metal Finishers, an auto ancillary unit has been showing consistent growth y-o-y in FY11 and FY12. The rating factors, inter alia firm's ability to get long term orders from two wheeler auto companies and growth of the auto industry. However ratings are constrained by the firm being a proprietorship, which limits growth and being customer concentric, limited to three major customers only.

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**Annexure I**  
**Aman Metal Finishers**

**Profit & Loss Account**

₹Crores	FY10	FY11	FY12
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
Gross Sales	<b>5.42</b>	<b>14.46</b>	<b>23.73</b>
Excise Duty/Sales Tax	-	-	-
<b>Net Sales</b>	5.42	14.46	23.73
Other Operating Income	-	-	-
<b>Total Operating Income</b>	5.42	14.46	23.73
Operating Expenses	4.62	12.89	21.23
<b>Operating Profit Before Depreciation, Interest and Taxes</b>	<b>0.79</b>	<b>1.57</b>	<b>2.50</b>
Depreciation/Amortization/Impairment	0.36	0.47	0.49
<b>Operating Profit Before Interest and Tax</b>	0.43	1.10	2.01
Interest and Finance Charges	0.31	0.56	0.85
<b>Operating Profit Before Tax</b>	0.13	0.54	1.15
Non Operating Income(Expenses)	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>0.13</b>	<b>0.54</b>	<b>1.16</b>
Extraordinary/Prior Period - Income(Expense)	-	-	-
Provision for Taxes	-	-	-
<b>Adjusted Profit After Tax(Continuing Operations)</b>	0.13	0.54	1.16
Adjusted Profit After Tax(Discontinuing Operations)	-	-	-
<b>Adjusted Profit After Tax</b>	0.13	0.54	1.16

## Annexure II

### Aman Metal Finishers

#### Balance Sheet

₹Crores	<u>31-03-</u> <u>2010</u>	<u>31-03-</u> <u>2011</u>	<u>31-03-</u> <u>2012</u>
-			
<b><u>EQUITY AND LIABILITIES</u></b>	0.55	1.29	1.94
Share capital	0.55	1.29	1.94
Non-current liabilities	2.76	2.37	3.32
Long-Term Borrowings from banks	2.30	1.88	2.05
Borrowings from promoters/friends	0.46	0.49	1.27
<b>Current liabilities</b>	2.53	2.42	4.57
<b><u>Short-Term Borrowings</u></b>	0.93	1.82	3.90
Current Portion Of Long Term Debt	-	-	-
Trade Payables	1.40	0.43	0.39
Other Current Liabilities	0.21	0.17	0.28
Short-Term Provisions	-	-	-
Total Liabilities	<b>5.84</b>	<b>6.08</b>	<b>9.83</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>	2.87	3.00	4.07
Net Fixed assets	2.82	2.95	4.02
Capital Work-In-Progress	-	-	-
Net Intangible assets	-	-	-
Net Fixed Assets Given Out On Operating Lease	-	-	-
Non Current Investments	0.05	0.05	0.05
<b>Current assets</b>	2.96	3.09	5.76
Current Investments	-	-	-
Inventories	1.41	1.92	3.58
Trade Receivables < Six Months	0.57	1.00	1.71
Cash and Cash Equivalents	0.02	0.02	0.01
Short-Term Loans and Advances	0.96	0.15	0.46
Total Assets	<b>5.84</b>	<b>6.08</b>	<b>9.83</b>