

Rating Report

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

Brickwork Ratings has assigned the following **Ratings¹** to the Bank Loan Facilities aggregating Rs 20.46 Crs (INR Twenty Crores Forty Six Lakhs only) of Amrit Dura parts private Limited

Facility	Limits (Rs Cr)	Tenure	Rating
Fund based			
Cash Credit	6.50	Long term	BWR D (Pronounced as single D)
Term Loan	12.46		
Export Packing credit Standby Line of credit	0.50	Short term	BWR D (Pronounced as single D)
Total	20.46	(INR Twenty Crores forty six lakhs Only)	

BWR has essentially relied upon the audited financials upto 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 Networth, 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.

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

Financial Performance:

During FY14, the company reported revenues of Rs. 23.98 crs, as against revenues of Rs. 9.69 crs in FY13. The company reported Net Profit of 7 0.10 crs in FY14 against Net loss of Rs. 1.56 crs in FY13. The Net-worth stood at 7 5.57 crs in FY14 as against 73.38 crs in FY13. As per provisional data for FY 15, the company has registered Gross Sales of Rs 7 27.75 crs. The Net-worth stood at Rs 4.78 Crores 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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Profit and Loss Account - Crores			
	31-Mar-2013	31-Mar-2014	31-Mar-2015
Result Type	Audited	Audited	Provisional
Gross Sales	9.69	23.98	27.75
Net Sales	9.69	23.98	27.75
Other Operating Income	1.18	1.24	1.12
Total Operating Income	10.87	25.22	28.87
Cost of Goods Sold	8.21	16.38	18.76
Operating Expenses	9.44	20.10	22.12
OPBDIT	1.43	5.12	6.75
Depreciation/Amortization/Impairment	1.28	2.28	3.06
OPBIT	0.15	2.85	3.69
Interest and Finance Charges	1.50	2.75	3.28
OPBT	-1.35	0.09	0.41
Non Operating Income(Expenses)	0.08	0.07	0.07
PBT	-1.27	0.17	0.48
Provision for Taxes	0.28	0.06	0.00
PAT	-1.56	0.10	0.48

Balance Sheet			
Crores	31-Mar-2013	31-Mar-2014	31-Mar-2015
Liabilities			
EQUITY AND RESERVES	3.38	5.57	5.94
Share capital	2.58	4.67	4.67
Reserves and Surplus	0.80	0.90	1.27
Non-current liabilities	17.60	18.25	17.63
Long-Term Borrowings	17.24	17.86	17.24
Deferred tax Liabilities (Net)	0.36	0.39	0.39
Current liabilities	8.42	13.48	20.67
Short-Term Borrowings	3.24	4.71	8.09
Current Portion Of Long Term Debt	2.00	2.91	3.04
Trade Payables	2.65	4.63	8.27
Other Current Liabilities	0.54	1.21	0.74
Short-Term Provisions	0.00	0.03	0.53
Total Liabilities	29.40	37.31	44.24
ASSETS			
Non-current assets	21.23	23.50	21.40
Net Fixed assets	20.39	22.92	21.02
Long Term Loans and Advances	0.84	0.59	0.38
Current assets	8.17	13.80	22.85
Current Investments	0.35	0.47	0.50
Inventories	3.82	9.69	17.01
Trade Receivables < Six Months	2.22	2.86	4.91
Cash and Cash Equivalents	0.72	0.02	0.00
Short-Term Loans and Advances	1.04	0.74	0.42
Other Current Assets	0.01	0.03	0.00
Total Assets	29.40	37.31	44.24