

## Amiya Commerce & Construction Co. Private Limited

Instrument	Rated Amount (in Rs. crore)	Rating Action April 2016
Fund-Based – Cash Credit	12.50	[ICRA]D assigned
Non-Fund Based – Bank Guarantee	10.00	[ICRA]D assigned
Unallocated Limits	3.00	[ICRA]D assigned

ICRA has assigned a long-term rating of **[ICRA]D** (pronounced ICRA D) to the Rs. 12.50-crore<sup>1</sup> cash credit facility of Amiya Commerce & Construction Co. Private Limited (ACCCPL / the company)<sup>2</sup> and has also assigned the short-term rating of **[ICRA]D** (pronounced ICRA D) to the Rs. 10.00-crore bank guarantee facility and the Rs. 3.00-crore unallocated limits of ACCCPL.

### Ratings Rationale

The ratings primarily factor in ACCCPL's recent delays in debt-servicing, owing to its tight liquidity position on account of high working capital intensity, as reflected by an NWC/OI of around 41% during FY2015. The same was also reflected by almost full utilisation of the working capital limits. The rating further takes into account ACCCPL's adverse financial risk profile, reflected by a high gearing of 2.06 times, interest cover of 0.61 times, and Total Debt/OPBDITA of 12.56 times as on March 31, 2015. The assigned ratings also consider the dependence of order flow on the government's tender-based contract award system, which exposes the company to intense competition and consequently keeps margins under check.

The ratings, however, factor in the long track record of the company in the fabrication and erection business and the diversification of revenue, led by an increasing share of the civil construction business in the last three financial years. ICRA also takes note of ACCCPL's healthy order book position, which provides revenue visibility, at least in the short term, and limited counterparty risks, on account of its reputed client profile.

### Company Profile

Incorporated in 1990, as a part of the Amiya group of companies, ACCCPL designs, manufactures, and erects pre-engineered steel and metal buildings, space frame structures, tubular rolled steel structures etc., and have subsequently also forayed into the civil construction business. ACCCPL has two steel structure manufacturing units - the Malancha Mahinagar unit, with a capacity of manufacturing 7200 MT, and the Baruiipur unit, manufacturing 4800 MT annually. However, the Baruiipur unit has been inoperative for the last two years.

### Recent Results

The company has reported a profit after tax (PAT) of Rs. 0.21 crore on an operating income (OI) of Rs. 114.21 crore in FY2015, as compared to a PAT of Rs. 0.32 crore on an OI of Rs. 75.40 crore in FY2014.

**April 2016**

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<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website ([www.icra.in](http://www.icra.in)) or other ICRA rating publications.



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