



Amardeep Ispat Private Limited (AIPL)

July 01, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	5.80	SMERA B+/ Stable (Assigned)
Cash Credit (Proposed)	6.70	SMERA B+/ Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B+**' (read as **SMERA B plus**) to the above mentioned bank facilities of Amardeep Ispat Private Limited (AIPL). The outlook is '**Stable**'. The rating reflects the company's below average financial risk profile marked by low networth, high debt to equity ratio and weak debt protection metrics. These rating weaknesses are partially offset by established track record and extensive experience of the promoters in the steel trading industry. The rating also considers the long standing relation of the company with its principal, Steel Authority of India Limited (SAIL).

AIPL, incorporated in 1973, is a Kolkata-based company that is an authorised dealer of SAIL. The company deals in both long and flat products. The Directors - Mr. Amardeep Gupta and Mr. Deepak Kumar Gupta have over three decades of experience in the industry. The company registered net profit margin of 0.18 per cent in FY2013-14 (refer to financial year, April 01 to March 31), as compared with 0.22 per cent in FY2012-13. The company is also an authorized dealer of SAIL and has registered revenues of Rs.33.05 crore in FY2013-14.

Outlook: Stable

SMERA believes AIPL will maintain a stable business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while maintaining better profit margins. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability, or in case of deterioration in the company's financial risk profile.

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SMERA RATINGS LIMITED

Amardeep Ispat Private Limited (AIPL)

*Rating
Rationale*

About the Company

AIPL, incorporated in 1973, is a Kolkata-based company engaged in the trading of iron and steel and is an authorized dealer of SAIL in Kolkata.

For 2013-14, AIPL reported profit after tax (PAT) of Rs.0.06 crore on operating income of Rs.33.05 crore as compared with PAT of Rs.0.05 crore on operating income of Rs.23.75 crore for FY2012-13. AIPL's net worth stood at Rs.1.60 as on March 31, 2014, as compared with Rs.1.35 crore a year earlier.

Contact List

Media/Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Mr. Vinay Chhawchharia Associate Vice President – Operations Tel: +91-22-6714 1156 Email: vinay.chhawchharia@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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