

Press Release

Amber Industries

February 11, 2019



Rating Withdrawn

Total Instruments Rated*	Rs. 12.50 Cr.
Long Term Rating	ACUITE BB (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE BB** (read as ACUITE double B) and short term rating of '**ACUITE A4+**' (read as ACUITE A four plus) to the Rs. 12.50 crore bank facilities of Amba Industries (AI). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Established in 1985, Amba Industries (AI) a Bangalore (Karnataka) based proprietorship concern is engaged in manufacturing of power distribution equipment such as copper flexible, busbar and copper connector, among others. AI mainly caters to electrical and power sectors. The firm is promoted by Mr. MA Subh Rao, who has been associated to this sector for more than three decades. It has two manufacturing units at Peenya in Bangalore.

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of AI.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	24.47	12.30	13.65
EBITDA	Rs. Cr.	2.25	1.31	1.22
PAT	Rs. Cr.	1.36	0.51	0.79
EBITDA Margin	(%)	9.21	10.67	8.94
PAT Margin	(%)	5.55	4.13	5.82
ROCE	(%)	24.43	16.66	21.59
Total Debt/Tangible Net Worth	Times	0.83	0.96	0.71
PBDIT/Interest	Times	4.09	3.29	3.80
Total Debt/PBDIT	Times	1.83	2.83	1.87
Gross Current Assets (Days)	Days	144	140	156

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

None

Applicable Criteria

- Manufacturing entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition:<https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of the rated instrument
<https://www.acuite.in/criteria-complexity-levels.htm>
Rating History (Upto last three years)

Date	Name of Instrument /Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
28-May-2018	Cash Credit	Long Term	1.60	ACUITE BB /Stable (Assigned)
	Proposed Cash Credit	Long Term	0.90	ACUITE BB /Stable (Assigned)
	Proposed Term Loan	Long Term	5.00	ACUITE BB /Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.60	ACUITE BB (Withdrawn)
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.90	ACUITE BB (Withdrawn)
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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