



SMERA RATINGS LIMITED

Aman Exports (Aman)

Rating Rationale

April 01, 2015

Facilities	Amount (Rs. Crore)	Ratings
Export Packing Credit	8.00*	SMERA A4 (Reaffirmed)
Export Packing Credit (proposed)	2.00	SMERA A4 (Assigned)
Term Loan (proposed)	4.05	SMERA B+/Stable (Assigned)

**Enhanced from Rs.5.00 crore*

SMERA has assigned a long-term rating of '**SMERA B+**' (read as **SMERA single B plus**) and a short-term rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.6.05 crore proposed bank facilities of Aman Exports (Aman). SMERA has also reaffirmed the short-term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs.8.00 crore bank facility (enhanced from Rs.5.00 crore) of Aman. The ratings remain constrained by the firm's small-scale operations. The ratings note that the firm is exposed to geographical concentration risk and intense competitive pressure. The ratings are also constrained by the susceptibility of the firm's profit margins to fluctuations in foreign exchange rates. The aforementioned weaknesses are partially offset by the extensive experience of the firm's management.

Update

For FY2013-14 (refers to financial year, April 01 to March 31), Aman reported net profit of Rs.1.40 crore on operating income of Rs.17.48 crore, as compared with net profit of Rs.0.46 crore on operating income of Rs.7.02 crore in FY2012-13. The firm has small-scale operations with sales of Rs.16.08 crore in FY2013-14. Aman's net worth stood at Rs.3.33 crore as on March 31, 2014, as compared with Rs.2.27 crore a year earlier.

Aman continues to benefit from its experienced management. Mr. Vinay Sharma, proprietor of Aman, has around three decades of experience in the handicrafts industry.

Outlook: Stable

SMERA believes Aman will maintain a moderate business risk profile over the medium term. The firm will continue to benefit from its experienced management and established association with customers. The outlook may be revised to 'Positive' in case the firm registers strong growth in scale of operations while achieving improvement in profit margins and working capital management. Conversely, the outlook may be revised to 'Negative' in case of stretch in the firm's working capital cycle, or in case of deterioration in the firm's capital structure.

About the firm

Aman, established in 1985, is Noida-based proprietorship firm promoted by Mr. Vinay Sharma. Aman is engaged in export of handicrafts.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

Aman Exports (Aman)

*Rating
Rationale*

Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Manager – Corporate Ratings Tel: +91-11-41806663 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.