

## Rating Rationale

### Brickwork Ratings reaffirm “BWR BBB- (Outlook: Stable) /BWR A3” for Bank Loan facilities aggregating to 450.00 Cr of AJS Impex Private Limited.

Brickwork Ratings have reaffirmed following **Rating<sup>1</sup>** for Bank Loan facilities of AJS Impex Private Limited.

Facilities	Tenure	Previous Limit	Present Limit	Previous Rating	Present Rating
Fund Based Cash Credit	Long Term	75.00	<b>100.00</b>	BWR BBB- (Pronounced BWR Triple B Minus) (Outlook:Stable)	<b>BWR BBB- (Pronounced BWR Triple B Minus) (Outlook:Stable)</b>
Non Fund Based Letter of Credit	Short Term	225.00	<b>350.00</b>	BWR A3 (Pronounced BWR A Three)	<b>BWR A3 (Pronounced BWR A Three)</b>
<b>Total</b>		300.00	<b>450.00</b>	<b>INR Four Hundred and Fifty Crores Only</b>	

BWR has essentially relied upon audited Financials up-to FY15, provisional Financials of FY16, projected Financials up-to FY18, publicly available information and clarifications provided by the company’s management.

The ratings have factored, inter alia, promoters experience and average financial risk profile. The ratings, however, is constrained on account of low profit margins, capital intensive nature of the business and high competition.

#### Background and Profile:

AJS Impex Pvt Ltd was incorporated in May 2006 as a private limited company in the name of Jaydev Steel Private Limited. Later on it changes its name to the AJS Impex Private Limited. Originally, AJS Impex Private Limited established in 1962 as a trading firm by Mr. Amulakh B Mehta. The company has its registered office at Ahmedabad Street, Carnac Bunder, Mumbai. The company is in the business of trading of steel products such as HR / CR Coils, Plates and sheets. Beside this Company is also trading in Wire Rod, Colour Coated sheet, pre painted galvanized coil etc.

#### Promoter and Share Holding details:

The key managements of the company are Mr. Jayesh Mehta and Mr. Amulakh B Mehta. Mr. Jayesh Mehta, Managing Director, having experience of two & half decades in the steel trading business takes care of marketing, finance and administrative department of the company. Mr. Amulakh Mehta, Director, having experience in the same line of business looks after the day to day affairs and assists in decision making for the company.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Financial Performance:

The financial performance of the company is characterized by year on year (y-o-y) growth in topline and improving profit margins. As per provisional Financials FY 2015-16, company has reported ~ 16% y-o-y growth in total operating income and ~66% y-o-y growth in Net profit. As per audited financial FY 2014-15, company has reported ~30 % of y-o-y growth in total operating income.

### Rating Outlook:

The outlook is stable. Going forward, the ability of the company to achieve its projections, manage working capital cycle, and improve profitability and managing capital structure are the key rating sensitivities.

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