



Rating Rationale

A S Enterprise

31st March 2017

Brickwork Ratings reaffirms/revises the ratings for the Bank Loan Facilities of Rs. 17.00 (INR Seventeen Crores Only) of A S Enterprise

Particulars

| Facility | Previous Limit (₹ Cr) | Present Limit (₹ Cr) | Tenure | Previous Rating (Dec 2015) | Present Rating (Reaffirmation) |
|----------------------|--------------------------|-------------------------|------------------------------------|--|--|
| FDBP/FUDBP/AFD BC | 17.00 | 17.00 | Short Term | BWR A4+ (Pronounced BWR A Four Plus) | BWR A4+ (Pronounced BWR A Four Plus) |
| Direct Bills Limit | (8.50) | (8.50) | | | |
| PC/PCFC | (7.20) | (7.20) | | | |
| Total | 17.00 | 17.00 | (INR Seventeen Crores Only) | | |

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials upto FY16 projections for FY17 of A S Enterprise, publicly available information/clarification provided by the firms' management.

The rating review factors in the promoters' experience and expertise in diamond polishing business, long relationship with clients resulting in repeat orders, dealing in diamonds having stable demands, low gearing, healthy coverage indicators and promoters ability to infuse equity capital.

However, the rating continues to be constrained due to moderate scale of operations, low profit margin due to less value addition and working capital intensive nature of operations, concentrated expertise limiting business diversification, industry characterized by competition from players in the unorganized as well as organized sectors and decline in revenue during FY 16.

Going forward, the firm's ability to increase the scale of operations, improve profit margins, and efficiently manage its working capital cycle and control receivables and payable days remains the key rating sensitivities.



Rating Outlook: Stable

BWR believes the **A S Enterprise** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Firm

Incorporated in Jan 1986 as Partnership firm, A.S. Enterprise is involved in cutting & polishing of rough diamonds. The Firm generally imports rough diamonds from Belgium, Thailand, U.S and polish them, and exports them to different countries. US contributes 25% of total exports and firm has its manufacturing division at Dahisar, Mumbai.

A.S. Enterprise is promoted by two partners, Mr. Amit Shah and Mr. Sandip Kothari. Both partners have almost 3 decades of experience and expertise of Diamond industry.

Company Financial Performance

The Net Sales of the firm has decline to Rs.87.71 Cr in FY16 against Rs.99.29 Cr in FY15. The operating profit margin has declined in FY 16. Current ratio of 1.80 times reflects adequate liquidity position in FY 16.

Rating History for the last three years (including withdrawn/suspended ratings)

| S N | Instrument/ Facility | Current Rating (Year 2017) | | | Rating History | | |
|-----|-------------------------|----------------------------|--------------------|---------|----------------|---------------------------|---------------------------|
| | | Type | Amount (Rs Crs) | Rating | 2016 | 14 th Dec 2015 | 27 th Aug 2014 |
| 1 | Non Fund Based | Short Term | 17.00 | BWR A4+ | Na | BWR A4+ | BWR A4+ |

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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