



Rating Rationale

Aadishwar Global Corp

21 Sep 2018

Brickwork Ratings has reaffirmed the ratings assigned to the bank loan facilities of Rs 6.16Cr of Aadishwar Global Corp ('AGP' or the firm) to BWR B+/A4

Particulars:

Facility	Amount (₹ Crs)		Tenure	Rating*		
	Previous	Present		Previous (Mar , 2017)	Previous (Aug ,2018)	Present
Fund based Cash Credit Term Loan 1 Term Loan 2	0.60 0.21 --	0.60 0.14 0.07	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable Assigned	Rating Not reviewed	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable Reaffirmed
PC/FBP & FBD Stand by limit under PC Gold card	4.00 0.55	4.80 0.55	Short Term	BWR A4 (Pronounced as BWR A Four) Assigned	Rating Not reviewed	BWR A4 (Pronounced as BWR A Four) Reaffirmed
Total	5.36	6.16	INR Six Crores and Sixteen Lakhs Only			

¹ Please refer to BWR website www.brickworkratings.com for definition of the ratings

*:Annexure I provides details of bank wise facilities

Rating: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of the firm FY18 , publicly available information and information/clarifications provided by the management the firm.

The rating draws strength from the experienced proprietor, increased revenues, satisfactory debt coverage ratio and marginal increase in net profit margin. The ratings are, however, constrained by declining operating profit margin , low net worth, high gearing, negative interest coverage indicator foreign currency price risk , inherent risk and intense competition from organized and unorganized players in the textile industry.

Going forward, the ability of the firm to increase its scale of operations with improved revenues and profits & profitability margins ,service the debt obligations promptly and manage its working capital efficiently would be the key rating sensitivities.



Credit Strengths:

Proprietor of the firm has about 9 years of experience in the textile industry , Based in Ludhiana being textile hub, Revenue is Rs 56.58 Crs in FY18 as against Rs 49.40 Crs in FY17 and net profit margin increased from 0.35% in FY17 to 0.39% in FY18. Debt coverage ratio is at 1.66X in FY18

Credit Risks:

Gearing with outside liability is at 3.37 X in FY18 ,operating profit margin is reduced from 1.53% in FY 17 to 1.39% in FY18, net 3.62 Crs is at 31.3.2018 even though the capital is increased by Rs 0.99 Lakhs in FY 18 interest coverage indicator is at 1.20 X in FY 18 inherent risk being the constitution of the firm as proprietorship ,

Rating Outlook: Stable

BWR believes 'Aadishwar Global Corp' 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 margins show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and margins show lower than expected figures.

Analytical approach

While assigning the ratings, BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale)

About the Firm

Aadishwar Global Corp. was established as a proprietorship firm in 2007 by Mr. Ashish Jain. The firm is based at Ludhiana and is engaged in the manufacturing of knitted fabric items like T-shirts, sports vest, leggings, ensembles, ladies & kids garments amongst others. It also exports all types of yarns, knitted fabrics and readymade garments to international markets in Hong Kong and the U.K.

Financial Performance of the Firm

The firm reported Total Operating Income and PAT of Rs. 56.58 Cr and Rs. 0.22 Cr in FY18 and a revenue of Rs 49.40 Crs and PAT of Rs. 0.17 Cr in FY17 . Operating profit is Rs 0.79 Crs in FY18 and Rs.0.75 Crs in FY17, .Total debt stood at Rs. 5.57 Cr as on 31.3. 2017 and Rs.7.46 Cr as on 31.3. 2018

Rating History for the last three years:

Sl No	Facility	Current Rating (2018)			Rating History			
		Type	Amount (Rs. Crs)	Rating	7.8.2018	31.3.2017	2016	2015
1.	Cash Credit Term Loan	Long Term	0.60 0.21	BWR B+ Pronounced as BWR single B Plus) (Outlook: Stable) Reaffirmed	Rating Not Reviewed	BWR B+ Pronounced as BWR single B Plus) Outlook: Stable Assigned	Not rated	Not rated
2.	Packing Credit Limit cum FBP/FBD Stand by PC under Gold Card Scheme	Short Term	4.80 0.55	BWR A4 Pronounced as BWR A four Reaffirmed		BWR A4 Pronounced as BWR A four Assigned		
Total		6.16 (Rupees Six Crores and Sixteen Lakhs Only)						

Status of non-cooperation with previous CRA: None , Any other information: Nil

Hyperlink/Reference to applicable Criteria:

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

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Key Financial Indicators

Particulars	Unit	FY 17 Audited	FY 18 Audited
Total Operating Income	Rs. Cr	49.40	56.58
OPBDIT	Rs. Cr	0.75	0.79
PAT	Rs. Cr	0.17	0.22
Partner's Capital	Rs. Cr	2.63	3.62



Total Debt/ Partner's Capital	Times	2.12	2.06
Current Ratio	Times	1.04	1.15

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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.