



Rating Rationale

Ascan Plyboard (India) Pvt. Ltd. (Formerly Prakash Ply Exim Private Limited).

16th August 2017

Brickwork Ratings reaffirms BWR BBB- (Outlook : Stable) for the Long term Bank Loan Facilities of Rs. 15.00 Crores and BWR A3 for the Short term Bank Loan Facilities of Rs. 9.00 Crores for Ascan Plyboard (India) Pvt. Ltd. (Formerly Prakash Ply Exim Pvt. Ltd)(APIPL or the ‘Company’).

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous (May - 2016)	Present
Fund Based					
Cash Credit	12.00	15.00	Long Term	BWR BBB - (Pronounced as BWR Triple B Minus) (Outlook:Stable)	BWR BBB - (Pronounced as BWR Triple B Minus) (Outlook : Stable) Reaffirmed
Non Fund Based					
Letter of Credit	8.00	9.00	Short Term	BWR A3 (Pronounced as BWR A Three)	BWR A3 (Pronounced as BWR A Three) Reaffirmed
Total	20.00	24.00	INR Twenty Four 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 Firm’s audited financial results upto FY16, and Provisional financials of FY 17, publicly available information and the information/clarifications provided by the management.



The rating has factored, inter alia, the group's combined financial and operating performance marked by low gearing, over two decades of experience of the promoters, long-standing customer relationship with reputed clients, adequate coverage ratio & liquidity position and moderate financial position. However, the rating is constrained by relatively modest scale of operations, low profitability margin, volatility associated with raw material prices and cyclical nature of the industry along with increasing competition.

Going forward, ability of the Company to increase its scale of operations & profit margin, manage susceptibility of raw material and volatile prices while managing its working capital efficiently will be the key rating sensitivities.

Key Rating Drivers

Adequate Liquidity Position:

The liquidity position of the concern is adequate as reflected by a healthy current ratio of 1.40 times for FY16. The Company is moderately leveraged with an adjusted Debt-to-Equity of 0.66 times for FY16.

Extensive experience of Management:

The Company has two directors who are highly experienced in the same line of business of plywood and timber products over two decades. This experience of the directors gives them the understanding and ability to sustain through business cycles.

Strong Debt Protection Metrics:

The Company has strong debt protection metrics as indicated by an Interest Service Coverage Ratio (ISCR) of 1.48 times and Debt Service Coverage Ratio (DSCR) of 1.13 times for FY16.

Rating Outlook: Stable

BWR believes, **Ascan Plyboard (India) Pvt. Ltd.** 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 Company

Prakash Ply Exim Private Limited was incorporated on 2005. In February 2017 the Company's name changed to Ascan Plyboard Pvt. Ltd (APIPL). It has been promoted by Mr. Satya Prakash Pandey along with his brothers. APIPL is into trading of timber, sawn timber, plywood, core veneer and block board. It is located in Kolkata, West Bengal. The Company has well diversified network and recognized relationship with dealers and customers. APIPL sells its products in West Bengal only through its dealer network of around 150.

APIPL is a family owned company. All the promoters have an experience of more than two decades in the same line of business of plywood and timber products through the Company. Mr. Satya Prakash Pandey and Mr. Ram Prakash Pandey are directors.

Company Financial Performance

The Company has achieved net sales of ₹ 107.28 Crs in FY16 against ₹ 104.52 Crs in FY15. PAT was ₹ 1.09 Crs during FY16. And the Company has reported a net profit margin of 1.01 percent for FY 16. The debt equity ratio is at 0.66 times with total debt of Rs. 14.57 Cr s and Tangible Net worth stood at Rs. 22.19 Cr s as on 31-3-2016. The Company has provisionally reported improved revenue of Rs. 121.20 Crs for FY17.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)
- [Short Term Debt](#)



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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	CC	Long Term (FB)	15.00	BWR BBB - (Outlook: Stable)	BWR BBB- Outlook: Stable	BWR BBB- Outlook: Stable	NA
2	LC	Short Term (NFB)	9.00	BWR A3	BWR A3	BWR A3	NA

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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.

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Annexure I – Key Financial Ratios

		FY15	FY16
		Audited	Audited
Net Sales /Revenue	Crores	104.52	107.28
EBIDTA	Crores	2.78	3.02
PAT	Crores	1.04	1.09
Tangible Net Worth	Crores	21.11	22.19
Total Debt : TNW	Times	0.60	0.66
Current Ratio	Times	1.41	1.40