

Rating Rationale

Brickwork Ratings assigns ratings for the Bank Loan Facilities aggregating ₹ 15 Cr of Ashish Exports

Brickwork Ratings has assigned following **Ratings**¹ for the Bank Loan Facilities of Ashish Exports. (AEX or the “**Firm**”):-

Issue		Amount Rated (₹ Cr)	Tenure	Rating Assigned
Fund Based	Cash Credit (As sub-limit to Line of Credit)	(2.00)	Long Term	BWR B+ (Pronounced as Single B plus) Outlook: Stable
	Line of Credit (Packing Credit /Post Shipment Credit)	15.00	Short Term	BWR A4 (Pronounced as Single A four)
Total		15.00	INR Fifteen Crores Only	

BWR has essentially relied upon audited financial results of AEX till FY16 and publicly available information and information provided by the management.

The ratings have, inter alia, factored in experience of proprietor for 2 decades in the menthol industry, locational advantages, due to proximity to raw material sources, and incentives provided by Government, which aid profitability. The ratings are, however, constrained due to a modest scale of operations, weak financial risk profile due to high gearing, presence in a highly fragmented and competitive industry having risk from synthetic alternatives and vulnerability of the firm to fluctuations in foreign exchange rates and raw material prices.

Background:

Chandausi (Uttar Pradesh) based Ashish Exports is a proprietorship concern established in 1999, currently managed by Mr. Ankur Aggarwal, proprietor, and is engaged in manufacturing and processing of menthol oil and allied products. Mr. Ankur Aggarwal, has an experience of over two decades in the menthol industry

Financial Performance:

As per the audited financial results of FY16, AEX generated revenue of Rs. 62.01 Crs, an increase of 47% over revenue in FY15. AEX was able to increase its PAT marginally from Rs. 0.23 Crs in FY15 to Rs. 0.24 Crs in FY16. Operating profit margin and Net profit margin declined to 1.77% and 0.38%, respectively in FY16. The firm has moderate to weak debt protection metrics marked by ISCR of 1.25 times and DSCR of 1.08 times. Gearing of the firm was 3.02 times in FY16.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward managing working capital requirements, scaling up operations, meeting projections, maintaining healthy order book position and ensuring timely servicing of debt and interest would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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.