

Rating Rationale

Brickwork Ratings Reaffirms the rating for Bank Loan Facilities amounting to ₹12.55 Cr (enhanced from ₹9 Cr) of Astik Dyestuff Private Limited to ‘BWR BB’ & ‘BWR A4+’

Brickwork Ratings (BWR) has *reaffirmed* the **Rating**¹ for the Bank Loan Facilities of Astik Dyestuff Private Limited as follows:

Facility*	Previous Amount (₹ Cr)	Present Amount (₹ Cr)	Tenure	Current Rating	Rating History
Cash Credit	6.00	7.00	Long Term	BWR BB (Pronounced BWR Double B) (Outlook – Stable)	BWR BB (Pronounced BWR Double B) (Outlook – Stable) (Mar-2014)
PC/PCFC/FBP/ FDB/PSDL	0.00	1.90			
ILC/FLC/LOU/ Buyers Credit	3.00	3.30	Short Term	BWR A4+ (Pronounced BWR A Four Plus)	BWR A4+ (Pronounced BWR A Four Plus) (Mar-2014)
Forward Contract	0.00	0.35			
Total	9.00	12.55	INR Twelve Crores Fifty Five Lacs Only		

BWR has principally relied upon the audited financial results up to FY15, projected financials up to FY17 of Astik Dyestuff Private Limited, publicly available information and information/clarifications provided by the company.

The ratings reflect the established track record of the Company, promoter’s experience in the industry, strong distribution network, diversified customers’ and suppliers’ portfolio. The ratings are, however, constrained by modest scale of operations, decline in profit margins, high receivable days, and industry specific dependency risk.

Background:

Astik Dyestuff Private Limited (ADPL) is promoted by Mr. Ram Ajekar and Mr. Chandaya Karkera and commenced its business in 1993. The company is engaged in manufacturing of full range of reactive dyes which are used by textile industry. The reactive dyes are used for coloring the cotton textiles by the textile processing houses and composite textile mills. The Company has a capacity to manufacture 2400 MT/year at its Ankaleshwar unit.

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

Management Profile

The Company is run by well experienced entrepreneurs Mr. Chandaya Karkera and Mr. Ram Ajekar.

Financial Highlights:

Net Sales grew by 6.44 % in FY 15. However operating expenses increased by 10.19% in FY 15 and PAT is declined by 37.20 %. Tangible net worth increase by 16.08 % in FY 15.

Rating-Outlook:

The outlook of the firm is expected to be stable for the current year. However, going forward, the ability of the company to improve its profitability, increase the size & scale of the business, and reduce receivable days are the key rating sensitivity factors.

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