

Rating Rationale

Astik Dyestuff Private Limited

31st March 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 12.55 Crores (INR Twelve Crores Fifty Five Lacs Only) of Astik Dyestuff Private Limited.

Particulars

Facility*	Previous Amount (Rs Crs)	Present Amount (Rs Crs)	Tenure	Previous Rating Dec-2015	Current Rating [^]
Cash Credit	7.00	7.00	Long Term	BWR BB (Pronounced BWR Double B) (Outlook – Stable)	BWR BB (Pronounced BWR Double B) (Outlook – Stable)
PC/PCFC/FBP /FDB/PSDL	1.90	1.90			
ILC/FLC/LOU /Buyers Credit	3.30	3.30	Short Term	BWR A4+ (Pronounced BWR A Four Plus)	BWR A4+ (Pronounced BWR A Four Plus)
Forward Contract	0.35	0.35			
Total	12.55	12.55	INR Twelve Crores Fifty Five Lacs 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 principally relied upon the audited financial results up to FY16, projected financials up to FY18 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 sales, high receivable days, and industry specific dependency risk.

Going forward, the ability of the company to improve its profitability, increase the size & scale of the business, and manage receivable days is the key rating sensitivity factors

Rating Outlook: Stable

BWR believes the **Astik Dyestuff Private Limited** 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

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.

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

Company Financial Performance

Company has reported operating margins of 10.76 % in FY 16 against 6.77% during FY 15. Profit margin stood at 6.20 % during FY 16 against 2.74% in FY 15. Company has reported decline in revenue by 10.12 % against increase in profit during FY 16.

Rating History for the last three years

SN	Instrument / Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	28 th Dec 2015	2014
1	Fund Based	Long Term	8.90	BWR BB (Stable)	Na	BWR BB (Stable)	Na
2	Non Fund Based	Short Term	3.65	BWR A4+	Na	BWR A4+	Na

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

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.