

Rating Rationale

Brickwork Ratings assigns ‘BWR BB’ & ‘BWR A4+’ for the Bank Loan facilities aggregating ₹ 9 Cr of Astik Dyestuff Private Limited

Brickwork Ratings has assigned the following **Ratings**¹ for bank loan facilities of Astik Dyestuff Private Limited (ADPL or “the Company”).

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based: Cash Credit (CC)	6.00	Long Term	BWR BB (BWR Double B) (Outlook – Stable)
Fund Based: Inland / Foreign Letter of Credit	3.00	Short Term	BWR A4+ (BWR A Four Plus)
Total	9.00	(INR Nine Crores only)	

BWR has relied upon ADPL’s audited financial results up to FY13, projected financials up to FY15 and the information/clarifications provided by the Company.

The ratings, inter alia, factor the established track record of the Company, promoter’s experience in the industry, strong distribution network, diversified customers’ and suppliers’ portfolio, and comfortable capital structure considering quasi equity. The ratings, however, are constrained by modest scale of operations, low profit margins, high receivable days, and industry specific dependency risk.

Company Background and Operations

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 1560 MT/PA at its Ankaleshwar unit.

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

Management Profile

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

Financial Performance

During the FY13, the Company's operating income reported a strong growth of 48%, increasing to ₹ 30.34 Cr as against ₹ 20.52 Cr in FY12. As per provisional figures, for 9 months ended of FY14 it has achieved an operating income of ₹ 34.32 Cr.

Outlook

The outlook is Stable. The firm's ability to improve its profitability, increase the size and scale of the business, and reduce receivable days is the key rating sensitivity factors.

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