



Rating Rationale

Astro India Automobile Pvt Ltd

26 April 2018

Brickwork Ratings reaffirms ratings for the Bank Loan facilities aggregating Rs. 17.79 Crores of Astro India Automobile Pvt Ltd.

Particulars:

Facility	Previous Amount (Cr)	Present Amount Rated (Cr)	Tenure	Previous Rating (2017)	Rating Recommended (2018)
Fund Based					
E-DFS	11.00	11.00	Long Term	BWR BB- (Pronounced as BWR Double B minus) Outlook: Stable	BWR BB-(Pronounced as BWR Double B minus) Outlook: Stable (Reaffirmed)
Drop Line OD	1.00	2.25			
Cash Credit	3.00	3.50			
Term Loan	2.48	1.04			
AD-Hoc	1.00	-			
Total	18.48	17.79	INR Seventeen Crore Seventy Nine Lakh Only		

^Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results upto FY17, publicly available information and information/ clarifications provided by the company.

The rating draws comfort from the Increasing Turnover and Dealership of Mahindra & Mahindra Ltd. The rating is however, constrained by High Gearing, Below benchmark Debt Protection Metrics and Thin Profitability Margins.

Key Rating Drivers

Credit Strengths

- **Increasing Turnover:** Turnover has increased to Rs 102.23 Cr for FY17 from 79.63 Cr for FY15 at CAGR of 13.30%



- **Dealership of Mahindra & Mahindra :** The company has the franchise of one of the leading car makers of the country i.e. Mahindra. Hence, the company enjoys a brand name which is renowned for quality and durability.

Credit Weakness

- **High Gearing and low current ratio:** Gearing level (TOL/TNW) improved to 5.28X for FY 17 as against 6.35X for FY 16 due to infusion of capital during FY 17 but still it is high, mainly due to nil margin requirements of E-DFS facility. Networking Capital is not available in the system as current ratio is less than 1.
- **Below Benchmark Debt Protection Metrics:** ISCR and DSCR for FY 17 marginally improved to 1.56X and 1.12X as against 1.52X and 1.10X respectively for FY 16 due to increased revenues but still these metrics are below benchmarks level.
- **Thin Profitability Margins:** Net profit Margins and Operating Margins for FY 17 is 0.47% and 3.74%. Margins are thin due to trading nature of the business and stiff competition from other car brands.

Rating Outlook: Stable

BWR believes the Astro India Automobile 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 there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues & profits showing declining trend and the gearing deteriorates further.

About the Company

Astro India Automobile Private Limited was established as a private limited company incorporated on October 26,2012. The company deals in SsangYong and Mahindra Cars. The company has 4 showrooms in the Jammu area of the state Jammu and Kashmir.

The company is being managed by Mr. Vikram Mahajan, Mr. Satyam Gupta and Mr. Jatinder Gupta.

Company Financial Performance

Particulars	Units	FY-16 (Audited)	FY-17 (Audited)
Total Operating Income	Crores	93.97	106.82
EBITDA	Crores	3.52	3.60



Tangible Network	Crores	3.36	3.78
TOL/TNW	Times	6.35	5.28
Current Ratio	Times	0.93	0.90
PAT	Crores	0.44	0.43

Status of non-cooperation with previous CRA: NA

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

Facility	Previous Amount (Cr)	Present Amount Rated (Cr)	Tenure	Present Rating (2018)	(2017)	(2016)	(2015)
Fund Based							
E-DFS	11.00	11.00	Long Term	BWR BB- Outlook: Stable (Reaffirmed)	BWR BB- Outlook: Stable	NA	NA
Drop Line OD	1.00	2.25					
Cash Credit	3.00	3.50					
Term Loan	2.48	1.04					
AD-Hoc	1.00	-					
Total	18.48	17.79	INR Seventeen Crore Seventy Nine Lakh Only				

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from website

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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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