



Rating Rationale

Aswin Cold Forge Pvt Ltd

31st January 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Aswin Cold Forge Pvt Ltd.(ACFPL)

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u> CPVOD	7.20	Long Term	BWR B+ (Pronounced BWR B Plus) Outlook: Stable
Total	Rs. 7.20 Crores (Rupees Seven Crores and Twenty Lakhs 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 financials up to FY16, projected financials of FY17 & FY18 and publicly available information and information/clarifications provided by the company.

The ratings draw strength from the extensive experience of the promoters, strong relationships with the key customers & suppliers. The ratings are, however, constrained by small scale of operations in a competitive industry with customer concentration in revenue, low net worth and high gearing and susceptibility of profit margins to volatile raw material prices. Going ahead, the ability of the company to improve its scale of operations and profitability and manage the gearing levels and achieve the projected revenues would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the Aswin Cold Forge 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 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

Aswin Cold Forge Pvt Ltd. was incorporated in 2007 at Chennai and is engaged in manufacturing Cold forged and extruded components, sheet metal and machined components for automotive engineering industry. The manufacturing units (unit I & unit II) are located in Chennai at Ambattur. The product portfolio includes Drive Shafts, Steering Column Shafts (Input/Output/Lower Shaft), Pistons, Aiming Bolts, Screw End, Specialty Fasteners.

Company Financial Performance

ACFPL has reported a Net Sales of ₹18.20crs in FY16 as against Net Sales of ₹14.09crs. for FY15.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (RsCr)	Rating	2016	2015	2014
1	CPVOD	Long term	7.20	BWR B+	NA	NA	NA

Hyperlink/Reference to Applicable Criteria

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

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
<R.Varadarajan> <Chief Manager - Ratings> analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

**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.

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