

Rating Report

Brickwork Ratings reaffirms the rating for Bank Loan facilities amounting to ₹12.55 Cr (enhanced from ₹9.00 Cr) of Astik Dyestuff Private Limited to “BWR BB” & “BWR A4+”

Brickwork Ratings (BWR) has reaffirmed the **Ratings¹** for the Bank Loan Facilities of **Astik Dyestuff Private Limited** as follows:

Facility*	Previous Amount (₹ Crs)	Present Amount (₹ Crs)	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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Annexure I
Astik Dyestuff Private Limited
Profit and Loss Account

Crores	31/03/12	31/03/13	31/03/14	31/03/15
Result Type	Audited	Audited	Audited	Audited
Gross Sales	22.25	33.13	53.10	55.61
Traded Goods Sales	0.00	0.00	0.04	0.02
Excise Duty/Sales Tax	1.72	2.79	5.44	4.87
Net Sales	20.52	30.34	47.69	50.76
Total Operating Income	20.52	30.34	47.69	50.76
Raw Material Consumed	14.93	22.81	36.41	40.64
Change In Inventory (Increase)/Decrease	-0.17	-0.61	-0.87	-0.79
Traded Goods Purchased	0.07	0.24	0.11	0.00
Power and Fuel Expenses	1.47	2.16	2.42	2.49
Employee Cost	1.37	1.57	1.79	2.17
Manufacturing Expenses	1.00	1.35	1.62	1.29
Cost of Goods Sold	18.67	27.52	41.48	45.79
Selling, General and other Administrative expenses	1.16	0.92	1.47	1.53
Operating Expenses	19.83	28.44	42.95	47.32
OPBDIT	0.69	1.89	4.74	3.44
Depreciation/Amortization/Impairment	0.23	0.22	0.19	0.31
OPBIT	0.46	1.67	4.55	3.13
Interest and Finance Charges	0.77	1.07	1.24	1.25
OPBT	-0.31	0.61	3.31	1.87
Non Operating Income(Expenses)	0.29	0.16	0.04	0.10
PBT	-0.02	0.77	3.35	1.97
Provision for Taxes	0.07	0.25	1.13	0.58
PAT(Continuing Operations)	-0.08	0.52	2.21	1.39
PAT	-0.08	0.52	2.21	1.39

Annexure II
Astik Dyestuff Private Limited
Balance Sheet

Crores	31/03/12	31/03/13	31/03/14	31/03/15
Result Type	Audited	Audited	Audited	Audited
Liabilities				
EQUITY AND RESERVES	5.60	6.12	8.33	9.67
Share capital	0.98	0.98	0.98	0.98
Reserves and Surplus	4.62	5.14	7.35	8.69
Non-current liabilities	4.23	4.45	5.32	4.53
Long-Term Borrowings	4.23	4.45	5.32	4.53
Current liabilities	8.55	9.08	15.06	12.53
Short-Term Borrowings	4.01	4.01	6.02	6.29
Trade Payables	4.38	4.82	8.34	5.57
Other Current Liabilities	0.00	0.00	0.00	0.00
Short-Term Provisions	0.16	0.25	0.71	0.66
Total Liabilities	18.38	19.65	28.71	26.74
ASSETS				
Non-current assets	2.65	3.26	3.87	3.61
Net Fixed assets	1.55	1.47	1.37	1.40
Non Current Investments	0.06	0.06	0.06	0.06
Deferred Tax Assets (Net)	0.00	0.00	0.00	0.15
Long Term Loans and Advances	1.01	1.65	2.34	1.89
Other Non Current Assets	0.02	0.07	0.10	0.10
Current assets	15.74	16.39	24.85	23.13
Inventories	3.78	4.61	8.81	7.75
Trade Receivables > Six Months	1.99	1.28	0.03	0.08
Trade Receivables < Six Months	9.41	9.20	13.92	13.83
Cash and Cash Equivalentents	0.11	0.43	1.46	0.16
Short-Term Loans and Advances	0.18	0.76	0.52	1.19
Other Current Assets	0.26	0.10	0.10	0.12
Total Assets	18.38	19.65	28.71	26.74

Annexure III
Astik Dyestuff Private Limited
Ratio Analysis

Crores	31/03/12	31/03/13	31/03/14	31/03/15
Result Type	Audited	Audited	Audited	Audited
Total Debt	8.24	8.46	11.34	10.83
Total Debt (Analyzed)	4.44	4.46	6.48	6.37
Tangible Net Worth	5.60	6.12	8.33	9.67
Tangible Net Worth (Analyzed)	9.40	10.13	13.20	14.13
Capital Employed	13.85	14.58	19.67	20.35
Total Debt/TNW	1.47	1.38	1.36	1.12
Total Debt/TNW(Analyzed)	0.47	0.44	0.49	0.45
Long Term Debt/TNW	0.76	0.73	0.64	0.47
TOL/TNW	1.60	1.55	1.86	1.30
ISCR	0.90	1.78	3.83	2.74
ISCR(Analyzed)	0.90	1.78	3.83	2.74
DSCR	0.76	1.08	1.94	1.47
DSCR(Analyzed)	0.63	1.06	1.35	1.33
Net Cash Accruals/Total Debt	0.02	0.08	0.22	0.14
Net Profit Margin	-0.41	1.70	4.64	2.74
Operating Profit Margin	3.37	6.24	9.95	6.77
ROCE	3.36	11.78	26.57	15.63
Current Ratio	1.84	1.80	1.65	1.85
Current Ratio(Analyzed)	1.61	1.66	1.65	1.84
Days Receivables	184	132	94	100
Days Inventory	74	56	59	66
Days Payable	81	72	61	65
Conversion Cycle	177	115	91	101