

Rating Report

Brickwork Ratings reaffirms the Long term ratings as ‘BWR BB+’ and the Short Term ratings as ‘BWR A4+’ for the Bank Loan Facilities amounting to Rs.13.83Crores of Ashutosh Metal Private Limited.

Brickwork Ratings has reaffirmed the rating¹ for the Bank Loan Facilities of Ashutosh Metal Private Limited (AMPL), amounting to **Rs.13.83Crores** from Punjab National Bank as follows:

Facility	Limit (₹ Crs)		Tenure	Previous Rating	Present Rating
	Previous	Present			
Fund Based					
Term Loan	1.00	0.58	Long-Term	BWR BB+ (Pronounced BWR Double B Plus) (Outlook:Stable)	BWR BB+ (Pronounced BWR Double B Plus) (Outlook:Stable)
Cash Credit	12.00	12.00			
Non-Fund Based					
Bank Guarantee	1.25	1.25	Short-Term	BWR A4+ (Pronounced BWR A Four Plus)	BWR A4+ (Pronounced BWR A Four Plus)
Total	14.25	13.83	(INR Thirteen Crores & Eighty Three Lacs only)		

¹ Please refer to BWR website www.brickworkratings.com for definition of the rating assigned

As per the Sanctioned Letter:

- Fund Based Working Capital limits are fully interchangeable between CC, EPC/PCFC and FBD/EBR.
- Credit limit exposure of Rs.0.18crs is the sublimit under NFB
- LCs/Buyer’s Credit of Rs.1.50crs is the sublimit within FB limit.

Rating mandate is for Rs.14.69Crores. However the rating was carried out for the amount of Rs.13.83crores, as the outstanding portion of term loan was considered for this purpose.

BWR has essentially relied upon the audited financial results up to FY15 & provisional financial of FY16, publicly available information and information/clarification provided by the company's management.

The rating continues to factor in the promoters’ experience in steel industry, efficient utilization of assets, improved profitability margins, and the ability of paying off its short

term obligations. However, the rating is constrained by low net-worth and decreasing top line with substantial fall in its scale of operations.

Background:

Ashutosh Metal Private limited was incorporated in 1999 as a closely held private limited Company. The company is engaged in manufacturing of Stainless steel Ingots and flats which are used in various industries such as manufacture household utensils, manufacturing of SS Pipes, manufacture of furniture, etc. The company's manufacturing facilities are located in Ahmedabad, Gujarat and has invested in M/s Avdesh Steel works Pvt. Ltd (100% subsidiary of Ashutosh Metal Private Limited) which is into the manufacturing of Ingot from Scarp.

Financial Performance:

During FY15, company's net revenue was Rs.127.72Crores and PAT was Rs.0.84Crores against net revenue of Rs.118.38Crores and PAT of Rs0.85Crores in FY14. The Operating profit margins and Net profit margins were 2.71%% and 0.66% respectively. Tangible Net-worth was Rs.14.81Crores. Further the current ratio stood at 1.25 as on FY15.

As per the provisional of FY16, Net revenue stood at Rs.98.29Crores, PAT stood at Rs.1.06Crores, Operating profit margins stood at 3.15%, Net profit margin stood at 1.01% and Net-worth at Rs.15.87Crores.

Rating Outlook:

The company's performance over the next year is expected to be stable. Going forward, the company's ability to increase its scale of operations, maintain and increase its turnover, increase its profitability and improve margins will be key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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.

Ashutosh Metal Private Limited

Annexure – I

Profit and Loss Account

Crores	FY12	FY13	FY14	FY15	FY16
Result Type	Audited	Audited	Audited	Audited	Provisional
Gross Sales	87.07	112.37	118.38	127.72	98.29
Net Sales	87.07	112.37	118.38	127.72	98.29
Other Operating Income	0.00	0.00	0.00	0.00	6.44
Total Operating Income	87.07	112.37	118.38	127.72	104.73
Operating Expenses	83.71	108.84	115.23	124.27	101.43
OPBDIT	3.36	3.53	3.16	3.45	3.29
Depreciation/Amortization/Impairment	0.76	0.83	0.84	0.88	0.87
OPBIT	2.60	2.70	2.32	2.57	2.43
Interest and Finance Charges	1.53	1.54	1.33	1.50	1.10
OPBT	1.08	1.16	0.99	1.08	1.33
Non-Operating Income(Expenses)	0.15	0.05	0.25	0.15	0.11
PBT	1.22	1.22	1.24	1.22	1.44
Provision for Taxes	0.38	0.37	0.39	0.38	0.38
PAT	0.85	0.85	0.85	0.84	1.06

Ashutosh Metal Private Limited
Annexure – II
Balance Sheet

Crores	FY12	FY13	FY14	FY15	FY16
Liabilities					
Equity & Reserves	11.36	12.42	13.97	14.81	15.87
Share capital	1.85	2.15	2.29	2.29	2.28
Share Application money Pending allotment	0.14	0.05	0.00	0.00	0.00
Reserves and Surplus	9.37	10.22	11.68	12.52	13.58
Non-current liabilities	3.32	4.98	3.45	3.15	3.93
Long-Term Borrowings	3.04	4.62	3.01	2.38	3.93
Deferred tax Liabilities (Net)	0.29	0.36	0.44	0.51	0.00
Other Long Term liabilities	0.00	0.00	0.00	0.26	0.00
Current liabilities	16.21	19.06	21.19	20.29	17.52
Short-Term Borrowings	9.00	8.06	8.09	6.28	7.45
Current Portion Of Long Term Debt	0.40	0.34	0.41	0.43	0.00
Trade Payables	5.80	9.95	11.43	11.98	8.06
Other Current Liabilities	0.04	0.21	0.35	0.76	1.66
Short-Term Provisions	0.97	0.50	0.91	0.84	0.35
Total Liabilities	30.89	36.45	38.61	38.25	37.32
Assets					
Non-current assets	8.85	9.21	10.06	12.88	12.50
Net Fixed assets	8.28	8.64	9.46	9.25	9.25
Non-Current Investments	0.19	0.21	0.23	3.24	3.24
Long Term Loans and Advances	0.39	0.35	0.38	0.38	0.00
Current assets	22.04	27.24	28.55	25.37	24.82
Inventories	5.45	10.74	10.00	6.84	6.55
Trade Receivables > Six Months	1.54	0.37	0.19	0.10	0.00
Trade Receivables < Six Months	12.02	13.47	15.22	14.30	10.69
Cash and Cash Equivalents	0.02	0.01	0.18	0.01	0.02
Short-Term Loans and Advances	1.99	1.23	1.32	2.65	5.13
Other Current Assets	1.03	1.42	1.64	1.46	2.44
Total Assets	30.89	36.45	38.61	38.25	37.32

Ashutosh Metal Private Limited
Annexure – III

Key Financial Ratios

Particulars	FY12	FY13	FY14	FY15	FY16
Long Term Borrowings	3.04	4.62	3.01	2.38	3.93
Short Term Borrowings	9.00	8.06	8.09	6.28	7.45
Current Portion Of Long Term Debt	0.40	0.34	0.41	0.43	0.00
Total Debt	12.43	13.02	11.51	9.08	11.38
Total Debt (Analyzed)	11.34	10.07	10.38	8.13	9.88
Tangible Net Worth	11.36	12.42	13.97	14.81	15.87
Tangible Net Worth (Analyzed)	12.45	15.37	15.11	15.76	17.37
Capital Employed	24.07	25.79	25.92	24.41	27.25
Total Debt/TNW	1.09	1.05	0.82	0.61	0.72
Total Debt/TNW(Analyzed)	0.91	0.65	0.69	0.52	0.57
Long Term Debt/TNW	0.27	0.37	0.22	0.16	0.25
TOL/TNW	1.58	1.67	1.65	1.48	1.16
ISCR	2.20	2.29	2.37	2.31	3.01
ISCR(Analyzed)	2.20	2.29	2.37	2.31	3.01
DSCR	2.05	1.66	1.81	1.69	1.98
DSCR(Analyzed)	2.05	1.49	1.81	1.69	1.49
Net Cash Accruals/Total Debt	0.13	0.13	0.15	0.20	0.17
Net Cash Accruals/Long Term Debt	0.55	0.38	0.59	0.76	0.49
Net Cash Accruals/Long Term Debt(Analyzed)	0.86	1.05	0.95	1.26	0.79
Net Profit Margin	0.97	0.76	0.72	0.66	1.01
Operating Profit Margin	3.86	3.14	2.67	2.71	3.15
ROCE	10.81	10.83	8.97	10.23	9.40
Current Ratio	1.36	1.43	1.35	1.25	1.42
Current Ratio(Analyzed)	1.26	1.41	1.34	1.25	1.42
Days Receivables	57	44	45	43	47
Days Inventory	24	27	33	25	24
Days Payable	29	26	34	37	38
Conversion Cycle	52	46	44	31	33

As Per BWR Calculations