

Rating Report

Brickwork Ratings assigns Ratings of 'BWR D' for Bank Loan facilities aggregating ₹26.41 Crores of Aditya Exim Limited

Brickwork Ratings has assigned the following Ratings¹ for Bank Loan facilities aggregating ₹ 26.41 Crores sanctioned by State Bank of India to Aditya Exim Limited:

Facilities*	Limits (Rs. In Crs)	Tenure	Ratings
Fund Based	24.69	Long Term	BWR D
Non Fund Based	1.72	Short Term	
Total Exposure	26.41	INR Twenty Six Crores and Forty One Lakhs	

BWR has essentially relied upon the audited financial up to FY16, projected financial up to FY18 of Aditya Exim Limited, publicly available information, clarification provided by the company's management and Banker's feedback.

The rating factors, delays in timely servicing of its debt obligations Moderate scale of operations with declining trend, high Interest finance charges burden on the company leads to net losses and weak coverage indicators. The ratings draw strength from the promoter's experience.

Background

Aditya Exim Limited is a closely held Public Limited Company engaged in manufacturing of Forged Flanges & Butt weld Seamless Pipe Fittings. The Company was incorporated in 1995 and initially it was engaged in Trading Activity of Forged-flanges. Company has set up CNC Machining Capacity in 2010. Thereafter Company set up Seamless Butt weld Pipe Fittings plant in 2012. The Company in 2013-14 install Flange Forging equipment like Forging Hammers, Ring Rolling plant. The Company exports its products to discerning customers in USA, Canada, Mexico, UK, Spain and other countries.

Management Profile

The promoted by Mr. Aditya Nitin Parekh and Mrs. Rekha Nitin Parekh holding 78.87 % and 2.73 % of share respectively. Mr. Aditya is commerce graduate having 8 years of experience in industry. Mrs. Rekha Nitin Parekh is Arts graduate having 20 year of experience in industry. Mr. Rajiv Mukesh Anjaria is an independent director of the company.

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

Financial Performance

As per audited financials FY 16, company has achieved Net sales of Rs. 21.87 Crs and loss of Rs. 1.76 Crs against Net Sales of Rs. 19.77 Crs and loss of Rs. 7.68 Crs in FY 15. Company has reported operating margin of 14.61 % in FY 16 and net profit margin of -7.98% in FY16. The net-worth of the Company stood at Rs. -0.62 Crs as on 31st March 2016 as compared to Rs. 1.14 Crs as on 31st March 2015 due to losses in last couple of years.

Going forward, maintaining financials discipline for timely servicing of its debt obligation, archive profitability, increase scale of operation, improve net worth to manage its debt and thereby reduce the gearing, shall remain key rating sensitivities.

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Aditya Exim Limited
Annexure I
Profit and Loss Account

Crores	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Result Type	Audited	Audited	Audited	Audited
Gross Sales	54.72	56.78	23.20	22.73
Excise Duty/Sales Tax	2.02	4.70	3.43	0.86
Net Sales	52.70	52.08	19.77	21.87
Other Operating Income	1.08	0.27	0.34	0.19
Total Operating Income	53.78	52.35	20.11	22.07
Raw Material Consumed	44.36	38.89	14.25	15.53
Change In Inventory (Increase)/Decrease	-6.39	0.14	5.74	-1.38
Power and Fuel Expenses	0.00	0.00	0.00	0.00
Employee Cost	2.30	2.21	0.85	1.17
Manufacturing Expenses	4.89	3.18	1.19	1.23
Cost of Goods Sold	45.17	44.41	22.04	16.56
Selling, General and other Administrative expenses	5.10	3.17	1.94	2.28
Operating Expenses	50.27	47.59	23.98	18.84
OPBDIT	3.51	4.76	-3.87	3.22
Depreciation/Amortization/Impairment	1.58	1.53	2.46	2.11
OPBIT	1.93	3.24	-6.33	1.12
Interest and Finance Charges	2.08	2.69	2.80	3.20
OPBT	-0.15	0.55	-9.13	-2.08
Non-Operating Income(Expenses)	1.29	0.37	1.09	0.16
PBT	1.14	0.92	-8.04	-1.92
Provision for Taxes	0.34	0.40	-0.36	-0.16
PAT	0.80	0.52	-7.68	-1.76

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Aditya Exim Limited

Annexure II

Balance Sheet

Crores	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Liabilities	Audited	Audited	Audited	Audited
EQUITY AND RESERVES	5.33	8.82	1.14	-0.62
Share capital	1.48	2.31	2.31	2.31
Reserves and Surplus	3.85	6.51	-1.17	-2.93
Non-current liabilities	4.54	7.92	6.56	17.70
Long-Term Borrowings	4.21	6.71	6.45	17.70
Deferred tax Liabilities (Net)	0.33	0.48	0.12	0.00
Other Long Term liabilities	0.00	0.73	0.00	0.00
Current liabilities	26.33	23.70	25.51	17.82
Short-Term Borrowings	17.23	16.87	20.43	12.52
Current Portion Of Long Term Debt	0.00	0.00	0.00	0.00
Trade Payables	7.98	6.30	4.41	4.61
Other Current Liabilities	0.52	0.00	0.42	0.52
Short-Term Provisions	0.61	0.53	0.24	0.17
Total Liabilities	36.20	40.44	33.21	34.90
ASSETS				
Non-current assets	10.25	10.38	11.40	9.97
Net Fixed assets	10.16	10.29	11.31	9.83
Non-Current Investments	0.09	0.09	0.09	0.09
Deferred Tax Assets (Net)	0.00	0.00	0.00	0.04
Other Non-Current Assets	0.00	0.00	0.00	0.00
Current assets	25.94	30.07	21.81	24.94
Inventories	14.78	16.24	14.37	15.43
Trade Receivables > Six Months	0.29	0.05	0.01	1.52
Trade Receivables < Six Months	5.76	9.08	3.68	4.50
Cash and Cash Equivalents	0.68	0.30	0.87	0.49
Short-Term Loans and Advances	4.44	4.39	2.88	3.00
Other Current Assets	0.00	0.00	0.00	0.00
Total Assets	36.20	40.44	33.21	34.90

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Aditya Exim Limited

Annexure III

Ratio Analysis

Ratio Analysis	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Particulars	Audited	Audited	Audited	Audited
Long Term Borrowings	4.21	6.71	6.45	17.70
Short Term Borrowings	17.23	16.87	20.43	12.52
Total Debt	21.44	23.57	26.88	30.22
Total Debt (Analysed)	20.23	21.51	24.46	27.83
Tangible Net Worth	5.33	8.82	1.14	-0.62
Tangible Net Worth (Analysed)	6.54	10.88	3.56	1.77
Total Debt/TNW	4.03	2.67	23.61	-48.54
Total Debt/TNW(Analysed)	3.09	1.98	6.88	15.72
ISCR	1.69	1.77	-1.38	1.01
ISCR(Analysed)	1.69	1.77	-1.38	1.01
DSCR	2.14	1.44	-0.64	0.86
DSCR(Analysed)	2.14	0.95	-0.64	0.68
Net Cash Accruals/Total Debt	0.07	0.09	-0.21	0.00
Net Profit Margin	1.48	0.99	-38.20	-7.98
Operating Profit Margin	6.53	9.10	-19.24	14.61
ROCE	7.12	10.79	-20.76	3.87
Current Ratio	0.99	1.27	0.86	1.40
Current Ratio(Analysed)	0.97	1.27	0.85	1.31
Days Receivables	42	53	118	81
Days Inventory	119	127	254	328
Days Payable	52	51	74	62
Conversion Cycle	109	129	298	348
Net Cash Flow from Operating Activities (as reported)	0.00	-4.62	1.36	0.00
Net Cash flow from Investing Activities (as reported)	0.00	-1.60	-3.35	0.00
Net Cash Flow from Financing Activities (as reported)	0.00	5.84	2.57	0.00

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