

## Rating Report

**Brickwork Ratings assigns ratings BWR BB/A4 for the Bank Loan Facilities aggregating to ₹ 15.00 crore of Ahuja Impex Pvt. Ltd.**

Brickwork Ratings has assigned following rating for the bank loan facilities of Ahuja Impex Pvt. Ltd. (AIPL or ‘company’) as under: -

Facility	Limits (Rs. Crs)	Tenure	Rating <sup>^</sup>
<b>Fund based</b> Cash Credit	5.00	Long Term	BWR BB (BWR Double B) (Outlook: Stable)
<b>Non-Fund Based</b> ILC	10.00	Short Term	BWR A4 (BWR A Four)
<b>Total</b>	<b>Rs. 15.00 Crore (INR Fifteen Crore Only)</b>		

<sup>^</sup>Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the rating assigned

BWR has principally relied upon the audited financial results of Ahuja Impex Pvt. Ltd. upto FY15, provisional of FY16 information/clarifications provided by the company and other publicly available information.

The assigned ratings derive comfort from the experienced promoters of company in the same line of business, marginally growing top line, and moderate gearing. However, the ratings are constrained by a small scale of operations, decline in profitability margins, debt protection metrics below acceptable levels and increase in trade receivables, which could adversely affect the liquidity of company.

### Background:

Ahuja Impex Private Limited (AIPL) was incorporated on the 5<sup>th</sup> January 1996. Its registered address is located at New Delhi. It is managed by its directors Mr. Abishek Ahuja and Mr. Krishan Kumar Ahuja. AIPL is engaged in the trading of varied range of petroleum products including lubricating oil, Bitumen, Calcium Grease, Slack Wax.

### Financial Performance:

As per the provisional financial data of AIPL for FY16, top line of the company increased marginally from Rs. 32.82 Crs in FY15 to Rs. 33.71 Crs in FY16 provisional. PAT for the company stood at Rs 0.21 Crs in FY16 (provisional) against a PAT of Rs. 0.15 Crs in FY15. Operating profit margin and net profit margin for the company stood at 1.72% and 0.47% respectively as per the audited financial data for FY15.

## Key Rating Determinants:

### High Financial Risk:

Sales of the company increased marginally from Rs. 32.82 Crs in FY15 to Rs. 33.71 Crs and PAT improved from Rs. 0.15 Crs in FY15 to Rs 0.21 Crs in FY16 (provisional). Operating profit margin and net profit margin for the company stood at 1.72% and 0.47% respectively as per the audited financial data for FY15 and as per FY16 (provisional) operating profit margin decreased to 0.22% resulted in weak debt protection metrics. TOL/TNW is 1.83 times for FY 2015. Net worth of the company stood at Rs 3.42 Crs in FY15.

### Moderate Management Risk:

Company active directors Abhishek Ahuja and Krishan Kumar Ahuja have more than 14 years of experience in the same line of business

### High Business Risk:

The company has very low scale of operations. There is intense competition from other petroleum products traders in the market which could adversely affect profit margins.

### High Industry Risk:

Petroleum industry is highly volatile because of crude oil price dependence on the international market price. India imports more than 80% of crude oil and price of petroleum products directly dependent upon the currency fluctuations. Petroleum products provides foundation for manufacturing industries like construction, packaging, pharmaceuticals, agriculture, textiles etc. and thus demand of petroleum products would also remain high.

## Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the company to improve its operating profit and net profit margins significantly, bring down the trade receivables to reasonable numbers, improve its debt protection metrics, efficiently manage its working capital would remain the key sensitivities.

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**AHUJA IMPEX PVT. LTD.**  
**ANNEXURE I – STATEMENT OF PROFIT AND LOSS ACCOUNT**

<b>Crores</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
<b>Result Type</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Provisonal</b>	<b>Projected</b>
<b>Gross Sales</b>	<b>30.16</b>	<b>30.54</b>	<b>32.82</b>	<b>33.71</b>	<b>35.27</b>
<b>Net Sales</b>	<b>30.16</b>	<b>30.54</b>	<b>32.82</b>	<b>33.71</b>	<b>35.27</b>
<b>Total Operating Income</b>	<b>30.16</b>	<b>30.54</b>	<b>32.82</b>	<b>33.71</b>	<b>35.27</b>
<b>Change In Inventory (Increase)/Decrease</b>	<b>2.67</b>	<b>0.11</b>	<b>0.69</b>	<b>-0.42</b>	<b>0.00</b>
<b>Traded Goods Purchased</b>	<b>26.24</b>	<b>29.39</b>	<b>31.19</b>	<b>33.55</b>	<b>34.26</b>
<b>Employee Cost</b>	<b>0.06</b>	<b>0.12</b>	<b>0.15</b>	<b>0.14</b>	<b>0.00</b>
<b>Operating Expenses</b>	<b>29.17</b>	<b>29.76</b>	<b>32.25</b>	<b>33.64</b>	<b>34.62</b>
<b>OPBDIT</b>	<b>0.99</b>	<b>0.78</b>	<b>0.56</b>	<b>0.07</b>	<b>0.65</b>
<b>Depreciation/Amortization /Impairment</b>	<b>0.05</b>	<b>0.04</b>	<b>0.05</b>	<b>0.01</b>	<b>0.01</b>
<b>OPBIT</b>	<b>0.94</b>	<b>0.74</b>	<b>0.52</b>	<b>0.06</b>	<b>0.64</b>
<b>Interest and Finance Charge</b>	<b>0.93</b>	<b>0.68</b>	<b>0.54</b>	<b>0.39</b>	<b>0.53</b>
<b>OPBT</b>	<b>0.01</b>	<b>0.06</b>	<b>-0.03</b>	<b>-0.33</b>	<b>0.11</b>
<b>Non Operating income/Expense</b>	<b>0.20</b>	<b>0.13</b>	<b>0.25</b>	<b>0.64</b>	<b>0.23</b>
<b>PBT</b>	<b>0.21</b>	<b>0.19</b>	<b>0.22</b>	<b>0.31</b>	<b>0.34</b>
<b>Provision for Taxes</b>	<b>0.06</b>	<b>0.06</b>	<b>0.07</b>	<b>0.09</b>	<b>0.07</b>
<b>PAT</b>	<b>0.15</b>	<b>0.13</b>	<b>0.15</b>	<b>0.21</b>	<b>0.27</b>

**AHUJA IMPEX PVT. LTD.**  
**ANNEXURE II – BALANCE SHEET**

<b>Crores</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
<b>Result Type</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Provisional</b>	<b>Projected</b>
Share capital	1.93	1.93	1.93	1.93	1.93
Reserves and Surplus	1.22	1.35	1.49	1.70	13.76
Long- term Borrowings	0.00	0.00	0.00	0.00	0.00
Current liabilities	12.64	9.93	8.05	11.92	5.64
Short term Borrowings	6.92	9.12	6.96	8.98	5.00
a) UBI (O/D)	na	4.54	2.35	4.75	na
b) Buyers Credit from Bank	na	1.98	1.80	2.33	na
c) Loan from directors/others	na	2.60	2.81	1.90	na
Debt	0.00	0.00	0.00	0.00	0.00
Trade Payables	5.64	0.72	0.99	2.78	0.50
<b>Total Liabilities</b>	<b>15.78</b>	<b>13.20</b>	<b>11.47</b>	<b>15.54</b>	<b>21.32</b>
<b>ASSETS</b>					
Non-current assets	0.19	0.15	0.11	0.08	0.07
Net Fixed assets	0.15	0.11	0.06	0.04	0.03
Deferred Tax Assets (Net)	0.04	0.04	0.04	0.04	0.04
Current assets	15.60	13.06	11.36	15.46	21.25
Current Investments	0.02	0.02	0.02	0.02	0.00
Inventories	1.27	1.16	0.48	0.89	0.91
Trade Receivables > Six Months	0.00	0.92	0.74	1.42	0.00
Trade Receivables < Six Months	9.96	8.17	7.71	9.11	16.53
Cash and Cash Equivalents	3.10	1.42	0.02	2.27	2.84
Short-Term Loans and Advances	0.54	0.64	1.44	0.74	0.07
Other Current Assets	0.72	0.74	0.96	1.03	0.91
<b>Total Assets</b>	<b>15.78</b>	<b>13.20</b>	<b>11.47</b>	<b>15.54</b>	<b>21.32</b>

**AHUJA IMPEX PVT. LTD.**  
**ANNEXURE III – FINANCIAL RATIOS**

<b>Ratios</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
<b>Result Type</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Provisional</b>	<b>Projected</b>
Long Term Borrowings	0.00	0.00	0.00	0.00	0.00
Short Term Borrowings	6.92	9.12	6.96	8.98	5.00
Current Portion Of Long Term Debt	0.00	0.00	0.00	0.00	0.00
Total Debt	6.92	9.12	6.96	8.98	5.00
Tangible Net Worth	3.15	3.27	3.42	3.63	15.68
Capital Employed	10.03	12.35	10.33	12.56	20.64
Total Debt/TNW	2.20	2.78	2.04	2.48	0.32
Long Term Debt/TNW	0.00	0.00	0.00	0.00	0.00
TOL/TNW	3.24	2.24	1.83	2.76	0.36
ISCR	1.07	1.15	1.04	0.18	1.23
DSCR	1.21	1.25	1.37	1.57	1.52
Net Cash Accruals/Total Debt	0.03	0.02	0.03	0.02	0.06
Net Profit Margin	0.48	0.43	0.47	0.63	0.76
Operating Profit Margin	3.29	2.56	1.72	0.22	1.83
ROCE	9.39	6.65	4.55	0.53	3.84
Current Ratio	1.23	1.31	1.41	1.30	3.77
Days Receivables	121	114	97	103	140
Days Inventory	16	15	9	7	10
Days Payable	78	39	10	21	17
Conversion Cycle	58	89	97	90	132