

Press Release

22 March, 2017

Astitva Exim

Rating Assigned

Total Bank Facilities Rated *	Rs. 110.00 Cr.
Short Term Rating	SMERA A4

Refer Annexure for details

Rating Rationale

SMERA has assigned short term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs. 110.00 crore bank facilities of Astitva Exim.

Astitva Exim (Astitva) was established by Mr. Ashwinbhai L. Viradiya and Mr. Mukeshbhai L. Viradiya. The firm manufactures and trades in gold, silver and diamond jewellery.

Key Rating Drivers

Strengths

- **Experience promoters**

Astitva was established in 2010 by Mr. Ashwinbhai L. Viradiya and Mr. Mukeshbhai L. Viradiya. The promoters possess extensive experience of over a decade in the manufacturing and trading of jewellery.

Weaknesses

- **Fragmented and competitive industry**

Astitva operates in a highly fragmented and competitive gems and jewellery industry with a large number of organised and unorganised players.

- **Working capital intensive operations and stressed liquidity**

Astitva's operations are working capital intensive marked by high GCA of 230 days for FY2015-16 as compared to 171 days for FY2014-15. This is due to high debtor days of 219 for FY2015-16 as compared to 110 days for FY2014-15.

- **Below average financial risk profile**

Astitva has below average financial risk profile marked by low networth of Rs.3.08 cr as on 31st March 2016 as compared to Rs.1.22 cr as on 31st March 2015. The gearing was high at 41.77 times as on 31st March 2016 as compared to 124.04 times in the previous year. The Interest coverage ratio stood low at 0.88 times for FY2015-16 as compared to 8.62 times for FY2014-15.

Analytical Approach

SMERA has considered the standalone financial and business risk profiles of the firm.

About the Rated Entity - Key Financials

For FY2015-16, Astitva registered loss after tax of Rs.(1.36) cr on operating income of Rs.310.67 cr as against profit after tax of Rs.10.17 cr on operating income of Rs. 476.59 cr in FY2014-15. The networth stood at Rs.3.08 cr as on 31 March 2016 as compared to Rs.1.22 cr as on 31 March 2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	110.00	SMERA A4

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ABOUT SMERA

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