



Ashapura Perfoclay Limited

Instrument	Amount Rated	Rating Action
		As in August 2015
Term Loan	Rs. 6.5 crore (reduced from Rs. 12.3 crore)	[ICRA]BBB+ (Stable) reaffirmed
Existing Fund-Based Limits	Rs. 21.0 crore	[ICRA]BBB+ (Stable) reaffirmed
Proposed Fund-Based Limits	Rs. 9.0 crore (enhanced from Rs. 4.1 crore)	[ICRA]BBB+ (Stable) reaffirmed
Non-Fund Based Limits	Rs. 2.0 crore	[ICRA]A2 reaffirmed

ICRA has reaffirmed the long term rating to the Rs. 6.5 crore* term loans (reduced from Rs. 12.3 crore), Rs. 21.0 crore fund-based and the Rs. 9.0 crore proposed fund-based bank facilities (enhanced from Rs. 4.1 crore) of Ashapura Perfoclay Limited (APL, erstwhile Ashapura Volclay Limited)[†] at [ICRA]BBB+ (pronounced ICRA triple B plus). The outlook on long term rating is 'Stable'. ICRA has also reaffirmed the short term rating to the Rs. 2.0 crore non-fund based bank facilities of APL at [ICRA]A2 (pronounced ICRA A two).

The ratings reaffirmation takes into account the cost savings achieved due to completion of the capacity expansion project four months ahead of schedule and APL's conservative capital structure and healthy profitability, which has also resulted in strong coverage indicators. The ratings also take into consideration long experience of the promoters in the bentonite mining and beaching earth business and reputed clientele, which reduces counterparty credit risks to an extent.

The ratings are, however, constrained by APL's weakened liquidity profile in 2014-15, as the expansion project was partly funded by creditors in the absence of any bank funding for the same, with the company also yet to tie-up any additional working capital limits to run the enhanced capacity. The ratings also factor in the weak financial profile of its Indian parent Ashapura Minechem Limited (AML), which remains a non-performing asset for its banks; volatility associated with sulphuric acid prices, which exposes the company to price risks, and exposure to forex risks, given that about 30% of its sales are derived from exports.

Company Profile

Established in 2001 as a 50:50 joint venture between AML and Volclay International Ltd (VIL). APL is engaged in the manufacture of bleaching earth, which finds application mainly in the purification, refining and decolorizing of vegetable oils, animal fat, mineral oils etc. VIL however sold its entire stake in 2014-15 to CIF AVL Investment Holding Limited, a Mauritius based Private Equity (PE) firm. The manufacturing facility of APL is located in Bhuj district of Gujarat and currently has an installed capacity of 144,000 metric tonnes per annum (MTPA).

Recent Results

In 2014-15, APL reported a net profit of Rs. 15.18 crore on an operating income of Rs. 179.99 crore as compared to net profit of Rs. 15.96 crore in 2013-14 on an operating income of Rs. 181.45 crore.

August 2015

* 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



For further details please contact:

Analyst Contacts:

Mr. Jayanta Roy, (Tel. No. +91-33-22876617 / 22800008)

jayanta@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar, (Tel. No. +91 22 6114 3406)

shivakumar@icraindia.com

© Copyright, 2015, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: **9871221122**

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax: +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: **9821086490**

Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: **+91 9903394664**

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500