

November 12, 2014

CARE REVISED/REAFFIRMED THE RATINGS ASSIGNED TO BANK FACILITIES OF ASK HOME FURNISHING PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	17.13 (reduced from 17.88)	CARE BB (DOUBLE B)	Revised from CARE BB- (Double B Minus)
Short term Bank Facilities	2.20	CARE A4 (A FOUR)	Reaffirmed
Total Facilities	19.33		

Rating Rationale

The revision in the long-term rating assigned to the bank facilities of ASK Home Furnishing Private Limited (ASK) is primarily driven by successful completion of the project and improvement in the overall financial risk profile of the company.

The ratings, however, continue to be constrained by the small scale of operations, elongated operating cycle, risk associated with fluctuation in raw material prices and competition from the organized and small/mid-sized unorganized players.

The ratings continue to draw comfort from experienced and resourceful promoters, wide distribution network, moderate profitability margins, capital structure and coverage indicator.

The ability of ASK to increase its scale of operations while maintaining its profitability margins, maintaining its capital structure and prudently managing its working capital requirement shall be the key rating sensitivities.

Background

Delhi-based ASK was incorporated in February 2005, is promoted by Mr Sandeep Singh Kochar and his wife, Ms Amita Kochar. Earlier, the company was also into the trading of bed sheets, and the same was discontinued from FY11 (refers to the period April 1 to March 31). Currently, the company is engaged in the manufacturing of mink blankets and mink blankets fabric from its manufacturing facility located at village Pathredi, Gurgaon, in Haryana. The installed capacity as on March 31, 2014, stood at 23.18 lakh meter per annum.

ASK manufactures wide range of blankets like double bed, single bed and baby blankets. It sells its products all over India under the brand name 'Home Jewels'. The main raw materials used for manufacturing blankets are yarn and fabric, which are procured domestically from Silvassa near Mumbai.

During FY14, ASK reported a total operating income of Rs.51.22 crore (Rs.41.33 crore in FY13) and PAT of Rs.0.88 crore (Rs.0.74 crore in FY13). During H1FY15 (provisional), ASK achieved a total operating income of Rs.30.03 crore.

Analyst Contact

Name: Mr Achin Nirwani

Tel: 011- 45333228

Email: achin.nirwani@careratings.com

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CONTACT

Head Office Mumbai

Mr. D.R. Dogra

Managing Director
 Mobile: +91-98204 16002
 E-mail: dr.dogra@carerating.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating
 Mobile: +91-9819009839
 E-mail: meenal.sikchi@carerating.com

Mr. Rajesh Mokashi

Dy. Managing Director
 Mobile: +91-98204 16001
 E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services
 Mobile: +91-9819698985
 E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069
 Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD
Mr. Mehul Pandya

32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015
 Cell: +91-98242 56265
 Tel: +91-79-4026 5656
 E-mail: mehul.pandya@careratings.com

BENGALURU
Mr. Dinesh Sharma

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.
 Cell: +91-99000 41975
 Tel: +91-80-4115 0445, 4165 4529
 E-mail: dinesh.sharma@careratings.com

CHANDIGARH
Mr. Sajan Goyal

2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.
 Cell: +91 99888 05650
 Tel: +91-172-5171 100 / 09
 Email: sajan.goyal@careratings.com

CHENNAI
Mr. V Pradeep Kumar

Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Saikat Roy

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.
 Tel: +91-40-4010 2030
 E-mail: saikat.roy@careratings.com

JAIPUR
Mr. Rahul Jain

304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 - 93149 21496
 Tel: +91-141-402 0213 / 14
 E-mail: rahul.jain@careratings.com

KOLKATA
Ms. Priti Agarwal

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal

13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

PUNE
Mr. Rahul Patni

9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.
 Cell: +91-78754 33355
 Tel: +91-20- 4000 9000
 E-mail: rahul.patni@careratings.com

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