

Rating Rationale

Brickwork Ratings assigns 'BWR BB-' & 'BWR A4' for the Bank Loan Facilities aggregating ₹ 8.11 Cr of Amarsai Shrink Pack Pvt. Ltd

Brickwork Ratings assigned the following **Ratings**¹ for Bank Loan Facilities of Amarsai Shrink Pack Private Limited (*ASPPL* or "the Company").

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based: Cash Credit (CC) Term Loans (TL)	5.00 2.66	Long Term	BWR BB- (BWR Double B Minus) (Outlook – Stable)
Fund Based: SLC	0.45	Short Term	BWR A4 (BWR A Four)
Total	8.11	(INR Eight Crores & Eleven Lakhs only)	

BWR has relied upon the audited financial results up to FY13 and projected financials up to FY15 of ASPPL, publicly available information, and the information/clarifications provided by the Company.

The ratings, inter alia, factor the promoters' industry experience, good and improving profitability, diversified product and customer portfolio, and moderate capital structure of the Company. The ratings, however, are constrained due to relatively lesser business track record, modest scale of operations, and high working capital intensity of business.

Company Background and Operations

Amarsai Shrink Pack Private Limited (ASPPL) was incorporated in the year 2010 by converting it into private limited company from a constitution of partnership firm. This partnership firm was established previously in the year 2006 in the name and style of Amarsai Shrink Pack by its partners (presently directors) Mr. Machindra Shewale and Mr. Popat Gangurde. The Company manufactures premium quality packaging and labeling materials and has an installed capacity of 80 tonnes/month.

Management Profile

The Company is established and run by well experienced first generation entrepreneurs Mr. Machindra Shewale and Mr. Popat Gangurde.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Mr. Machindra Shewale, aged 43 years, has completed Diploma in Electrical Engineering and has more than 21 years of experience in similar line. He holds 90% stake in the company. Mr. Popat Gangurde, aged 46 years, has more than 16 years of experience in similar line and holds 5% stake in the company. Mrs. Sunita Shewale, aged 33 years, has around 4 years of experience in similar line. She holds 5% stake in the company.

Financial Performance

During the FY13, the Company's operating income increased at ₹ 26.85 Cr as against ₹ 21.50 Cr in FY12. It also had a multifold revenue growth in FY12 compared to previous FY11 operating income of ₹ 9.02 Cr. As per provisional figures, for 9 months ended of FY14 it has achieved an operating income of ₹ 27.86 Cr.

Outlook

The outlook is Stable. The firm's ability to sustain its profitability, increase the size and scale of the business, improve inventory turnover, and manage working capital requirements are the key rating sensitivity factors.

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