

**Rating Rationale**

**Anusaya Polyproducts Ind.**

**29 Mar 2019**

**Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹ 10.35 Crores of Anusaya Polyproducts Ind.**

**Particulars**

<b>Facility</b>	<b>Amount (₹ Crs)</b>	<b>Tenure</b>	<b>Rating*</b>
<b>Fund based</b>	<b>10.64</b>	<b>Long Term</b>	<b>BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable</b>
<b>Total</b>	<b>10.64</b>	<b>INR Ten crore sixty four lakh only.</b>	

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

**Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has essentially relied upon the company’s audited financial results of Fy17, Fy18 and projections of Fy 19, Fy 20, Fy 21, Fy22 publicly available information and clarification / information provided by the company.

The rating draws strength from adequate experience of partner in related field, moderate liquidity and coverage ratios . The rating is however constrained relatively low scale of operations, modest network, negative PAT, slightly leveraged capital structure. Rating also considers intense competition in the industry from small players and fragmented nature of industry.

The ability of the firm to improve its scale of operations, network, capital structure, profitability, along with maintaining its coverage and liquidity would be its key rating sensitivity.

### **Description of Key Rating Drivers**

#### **Credit Strengths:**

- Experience of Management: Anusaya Poly products Industries is managed by Mr Dhiraj Deora, Dharma Deora and Mrs Pushpa Deora who have 4 decades of experience in the related field.
- Liquidity: Liquidity remained at moderate levels as reflected through current ratio of 1.93x in Fy18.
- Coverage ratio as reflected through DSCR is at acceptable levels as firm has incurred negligible finance cost, these are reported at 7.57x in Fy18

#### **Credit Risks:**

- Scale of operations: Scale of operations remained low with operating income in Fy18 reported at Rs.0.38cr.
- Partner Capital: TNW as reported in Fy18 remained low at Rs.3.48cr in Fy18. Its capital structure seems to be highly leveraged.
- Financial risk profile of the firm is marked with gearing of 2.01x which is considered leveraged. Profitability levels in Fy18 has remained low in absolute terms and firm has registered loss with NPM of -22.39%.
- PP is a derivative of crude oil, which is a volatile commodity. The prices of PP mirror the crude oil prices to some extent and hence the profitability of the firm remains exposed to any adverse fluctuations in crude oil prices.
- The competitive intensity of the PP woven fabric industry remains high with a large number of players in the small and medium scale categories. The competition is further intensified due to a large number of unorganised players along with low capital investment and limited entry barriers in the industry.

### **Analytical Approach**



For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

**Liquidity Profile :** Liquidity profile of the firm is marked with current ratio of 1.93x. Firm has negligible current investments. Its cash and its equivalents are reported at Rs.0.05cr in Fy18. Firms average bank lines utilization stood at 85% - 90%.

### Rating Outlook: Stable

BWR believes the **Anusaya Polyproducts Ind.** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

### About the Company

Established in 2016 as partnership firm, Anusaya Poly products Industries is involved in manufacturing and marketing of PP/HDPE Fabric and Woven Sacks. It is managed by Mr.Dharma Deore ,Mr. Dhiraj Deore ,Mrs. Pushpa Deore, who are all partners in the firm

### Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	₹ Cr	0.38	0.00
EBITDA	₹ Cr	0.11	0.00
PAT	₹ Cr	-0.09	0.00
Tangible Net worth	₹ Cr	3.48	0.86
Total Debt/Tangible Net worth	Times	2.01	0.12
Current Ratio	Times	1.93	505.96

### Rating History for the last three years

S.No	Instrument /Facility	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2018	2017	2016
1	Fund Based ODBD Term Loan	Long Term	10.64 4.50 6.14	<b>BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable</b>	Not Rated	Not Rated	Not Rated
	<b>Total</b>		<b>10.64</b>	<b>₹ Ten crore sixty four lakh only.</b>			

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

Any other information: Nil

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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