

Rating Rationale

Brickwork Ratings reaffirms 'BWR BBB-' for the Bank Credit Facilities of Aparna Carbons Private Limited enhanced from ₹ 10.00 Cr to ₹ 30.50 Cr.

Brickwork Ratings has reaffirmed the following **Rating**¹ of Aparna Carbon's Private Limited's (ACPL or the 'Company') Bank Credit facilities as follows:

Facility	Existing (₹ Cr)	Tenure	Rating
Fund Based- Cash Credit	17.50	Long Term	BWR BBB- (BWR Triple B Minus) (Outlook: Stable)
Term Loan	13.00		
Total	30.50	(INR Thirty Crores and Fifty Lakhs only)	

Bankers to the Company – Consortium Arrangement between State Bank of India & IDBI Bank

BWR has principally relied upon the audited financial results of ACPL's up to FY 13, and provisional financials up to FY 15, information/clarification provided by the Company and other publicly available information.

The rating has factored, inter alia, the promoters experience in the Industry, the team of professionally qualified and experienced individuals, ISO 9001:2000 Certifications, additional infusion of capital in the business in the form of Share Application, strong order book for FY 14. The rating is constrained by low profitability margins, high cost of raw materials and highly fragmented nature of the industry.

Background

Aparna Carbons Private Limited (ACPL) was incorporated on 16.01.2003 with its registered Office at World Trade Centre, 1st Floor, 14/1B, Ezra Street, Kolkata, West Bengal- 700001. The Company is in the business of manufacturing Coal Chemicals and its principal products are Coal Tar Pitch, Dehydrated Coal Tar and Creosote Oil. The commercial production of the Company commenced on 2nd Jan 2004.

Management Profile

The Company was initially promoted by Mr. Radhe Shyam Dhandharia & Mr. Satya Narayan Sureka, who were subsequently joined by Mr. Manoj Dhandharia & Mr. Siddharth Sureka for management of day to day affairs of the Company.

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

Mr Radheshyam Dhandharia has experience of over 55 years in various industries. He is looking after the overall strategic decisions of the Company.

Financial Performance

ACPL reported a profit after Tax (PAT) of Rs. 1.12 Crs on a Gross income of Rs.84.66 Crs in FY 13 (audited) compared to PAT of Rs. 0.46 Crs on the Gross income Rs. 72.25 Crs in FY12. The Gross Sales of the Company has increased by 14% in FY 13 as compared to FY 12. The Company reported a Tangible Net worth of Rs.22.76 Crs in FY 13 as against a Tangible Net worth of Rs. 14.13 Crores in FY 12. The Company has issued Share Application of Rs. 7.51 Crores in FY 13. In FY 13, the Debt Equity Ratio of the Company improved to 1.36 by way of additional infusion of capital into the business.

Rating Outlook

The rating reflects the position of the Company in the industry it caters to. Going forward, the ability of the Company to sustain and improved sales in the face of competition and the government's policy pertaining to highly fragmented and competitive coal tar pitch industry in general are the key rating sensitivities.

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