

Rating Rationale

Brickwork Ratings assigns ratings for the Bank Loan Facilities aggregating ₹ 5.80 Cr of Asansol Polyfabs Private Limited

Brickwork Ratings has assigned the following **Ratings¹** for the Bank Loan facilities availed by Asansol Polyfabs Private Limited (**'APPL or the Company'**) from State Bank of India.

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based Cash Credit	5.00	Long Term	BWR BB (Pronounced as BWR Double B) (Outlook: Stable)
Fund Based Stand by Line of Credit	0.50		
Non-Fund Based Bank Guarantee	0.30	Short Term	BWR A4+ (Pronounced as BWR A Four Plus)
Total	5.80	INR Five Crores and Eighty Lakhs only	

BWR has essentially relied upon audited financials of FY13, FY14 and FY15, projections for FY 16, FY 17 and FY18, publicly available information and information/clarification provided by the management. The rating, inter alia, has factored the established track record of the Company, business experience of more than 10 years of the management, good clientele and moderate financial leverage. However the rating is constrained by its relatively small scale of operations, thin profit margin, working-capital intensive nature of business and intense competition from organized as well as unorganized players.

Background:

Asansol Polyfabs Private Limited (APPL) was incorporated in 2002 by Mr. Sajjan Bansal and Mr. Nitesh Sharma along with other promoters/directors. The Company is primarily engaged in the manufacturing of Polypropylene sacks and fabric with an installed capacity of 1800 MT per year. The Company has its operational base in Asansol, West Bengal. It is ISO 9001:2008 certified for manufacturing of its products.

Management:

The management is led by Mr. Sajjan Bansal, Chairman, graduate by qualification, having business experience of more than a decade. Mr. Bansal is equally supported by other directors, Mr. Nitesh Sharma, Mr. Rajesh Kumar Sharma and Mr. Shresth Bansal, having good business experience. The Day to day activity is looked after by Mr. Sajjan Bansal.

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

Financial Performance:

The Company has posted revenue of Rs.30.69 Cr in FY 15 as against Rs.28.08 Cr in FY 14, showing an increment of ~ 9%. It has reported a net profit of Rs.0.33 Cr in FY15 as against Rs.0.17 Cr in FY 14; however, the change in the profitability is mainly due to change in the method of depreciation calculation. The leverage is reported at 1.01 times in FY 15. The net worth of the Company is reported at Rs.5.65 in FY 15. The operating profit margins stood at 5.80 percent in FY 15 as against 5.62 Percent in FY 14.

Rating Outlook:

The Rating outlook is expected to be stable in near term. Going forward, the ability to increase its scale of operations, achieve projected financials, improve its profit margins and cash flow, further improving its clientele, order book position and ability of the management to tackle competition would be the key rating sensitivities for the Company.

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