

Rating Rationale

Brickwork Ratings assigns ‘BWR B+’ for long-term and ‘BWR A4’ rating for short term bank loan facilities of Aura Poly Plastics Private Limited.

Brickwork Ratings assigns BWR B+ for long-term and BWR A4 **Ratings**¹ for short term bank loan facilities of Aura Poly Plastics Private Limited. (APPPL or “the Company”)

Facilities	Limits (₹Cr)	Tenure	Rating
Fund Based: Cash Credit Term Loan	5.00 5.09	Long Term	BWR B+ [Pronounced BWR Single B Plus] (Outlook – Stable)
Non Fund Based Letter of Credit	(5.00)	Short Term	BWR A4 [Pronounced BWR A Four]
Total	10.09	(INR Ten Crore and Nine Lacs Only)	

BWR has relied upon APPL’s audited financial results up to FY14, provisional financials up to FY15, projected financials up to FY16 and the information/clarifications provided by the Company.

The ratings, inter alia, factors experience of the promoters in the plastic packaging industry, stabilization of new production unit and diversified customer base with long term association. The ratings, however, constrained by modest scale of operations, inherent volatility in the raw material prices, working capital intensive nature of the business, and competitive nature of the industry.

Company Background and Operations

Incorporated in 2008, Nagpur-based (Maharashtra) APPL is promoted by Mr Sunil Ranasaria and Mr Sajjan Ranasaria. APPPL is engaged in the manufacturing and trading of High-density Polyethylene/Poly propylene (HDPE/PP) fabrics and woven sacks. The products manufactured by APPL are used in various industries such as sugar, agro commodities, etc, as packaging materials.

Financial Performance

As per audited financials for FY14 provided by the company, APPPL’s operating income stood at ₹32.31 Cr. with a PAT of ₹0.04 Cr. As per provisional financials of FY15, the company’s operating income stood at ₹ 33.93 Cr. with a PAT of ₹ 0.08 Cr.

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

Outlook

The outlook is Stable. The Company's ability to maintain turnover and margins despite of volatility in the raw material prices and intense competition, achieving estimated revenues, managing working capital cycle will be key rating sensitivity factors.

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