Rating Rationale

Brickwork Ratings assigns 'BWR BBB-' (Pronounced BWR Triple B Minus) for Long-term Credit Facilities of ₹ 10 Crores of Aparna Carbons Pvt. Ltd. (ACPL)

Brickwork Ratings (BWR) has assigned BWR BBB- (Pronounced BWR Triple B Minus) for long term credit facilities of ₹ 10.00 Crores of Aparna Carbons Pvt Ltd (ACPL).

Facility	Limits (Rs.Crs)	Tenure	Rating
Fund Based - Cash Credit	**10.00**	**Long Term**	**BWR BBB-** (Pronounced BWR Triple B Minus) **(Outlook-Stable)** Facilities with this rating are considered to have **moderate degree of safety** regarding timely servicing of financial obligations.

BWR has principally relied upon the audited financial results up to FY12, projected financials of FY13 and FY14, publicly available information and information/clarification provided by the Company.

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 commercial production of the Company commenced on 2nd Jan 2004. The Company is in the business of manufacturing Coal Chemicals and its principal products are Coal Tar Pitch, Dehydrated Coal Tar and Creosote Oil.

Management Profile

The Company was promoted by Mr. Radhe Shyam Dhandharia & Mr. Satya Narayan Sureka, who were joined by Mr. Manoj Dhandharia & Mr. Siddharth Sureka for management of day to day affairs of the Company. Mr Radheshyam Dhandharia has experience of over 55 years in various industries. He is looking after the overall strategic decision of the Company.

Business Operations

ACPL has successfully developed impregnating grade of Coal Tar Pitch, a product very few producers world over could produce successfully. Presently, the company has production capacity of 23880 MTS (Net 21875 MTS) p.a. of coal chemicals. Coal Tar is the basic raw material required for production. To take advantage of the strong demand growth for the products, the promoters have decided to expand its existing capacity of its plant from 23880 MT to 31200 MT at Durg Dhamda Main Road, Vill-Jewra, Durg, Chattisgarh. The products of the Company are ISO 9001:2000 certified. The Company has availed Bank Loan facilities of Rs 10.00 Crores from IDBI Bank, Kolkata.

Financial Performance

ACPL reported a profit after Tax (PAT) of ₹ Rs.0.46 Crs on a Gross income of Rs.72.25 Crs in FY 12 (audited) compared to PAT of Rs. 0.51 Crs on the Gross income Rs. 63.83 Crs in FY11. The Company reported a Tangible Net worth of Rs.14.16 Crs in FY 12. The operating profit margins of the Company are on moderate levels with average net profit margins.

Key Financials (₹ Crs)	**FY10 (A)**	**FY11 (A)**	**FY12 (A)**
Gross Sales	43.12	63.83	72.25
Less: Excise Duty	-	7.47	8.66
Other Operating Income	-	-	-
Total Operating Income	43.12	56.36	63.59
Cost of Sales	40.27	53.36	58.49
Operating Profit before Interest, Depreciation and Tax	2.85	3.01	5.11
PAT	0.27	0.51	0.46
Tangible Net worth	8.61	11.42	14.13
Net Profit Margin	0.61	0.90	0.72

Rating Outlook

The rating has factored, inter alia, the promoters experience in the Industry, the team of professionally qualified and experienced individuals, ISO 9001:2000 Certifications, ability of the Company to pass on raw material prices increases to customers, thus shielding its raw margins from raw material price volatility and recognition as one of the few manufacturers of impregnating grade of Coal Tar Pitch in India. The rating is constrained by low profitability margins, high cost of raw materials. The ability of the Company to meet its sales, profitability and other financial projections for FY13 and the government's policy pertaining to highly fragmented and competitive coal tar pitch industry in general are the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com