

Rating Report

Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating to Rs. 5.80 Crores of Asansol Polyfabs Private Limited.

Brickwork Ratings has assigned the following **Ratings**¹ 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 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.

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

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.

Financial Performance:

The Company has posted a revenue of Rs. 30.69 Crs in FY 15 as against Rs. 28.08 Crs in FY 14, showing an increment of ~ 9%. It has reported a net profit of Rs. 0.33 Crs in FY15 as against Rs. 0.17 Crs 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.

The financial particulars are in the Annexures I, II & III.

Key Rating Determinants

- The scale of operations is relatively low with thin profit margins. This, in a working capital intensive industry, results in strain on the management of working capital. The unit also faces competition from unorganized & better organized units.
- While at the level of operations the gearing is reasonable, the Company may consider infusion of further capital and plan for modernization/expansion of capacity, for improved performance.

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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Asansol Polyfabs Private Limited (APPL)
Annexure 1: Profit And Loss Account

Crores	FY 13	FY 14	FY 15
Result Type	Audited	Audited	Audited
Gross Sales	21.35	28.08	30.69
Excise Duty/Sales Tax	2.34	3.06	3.35
Net Sales	19.00	25.02	27.34
Other Operating Income	1.67	0.67	0.90
Total Operating Income	20.67	25.69	28.25
Raw Material Consumed	17.60	22.57	23.70
Change In Inventory (Increase)/Decrease	-0.45	-0.95	-0.28
Power and Fuel Expenses	1.49	1.69	1.76
Employee Cost	0.19	0.22	0.30
Manufacturing Expenses	0.11	0.19	0.46
Cost of Goods Sold	18.94	23.73	25.94
Selling, General and other Administrative expenses	0.36	0.52	0.67
Operating Expenses	19.30	24.25	26.61
OPBDIT	1.37	1.44	1.64
Depreciation/Amortization/Impairment	0.47	0.45	0.34
OPBIT	0.90	0.99	1.30
Interest and Finance Charges	0.71	0.76	0.85
OPBT	0.19	0.23	0.45
Non Operating Income(Expenses)	0.01	0.02	0.02
PBT	0.19	0.25	0.47
Provision for Taxes	0.06	0.09	0.14
PAT	0.13	0.17	0.33

Asansol Polyfabs Private Limited (APPL)
Annexure 2: Balance Sheet

Crores	FY 13	FY 14	FY 15
Liabilities	Audited	Audited	Audited
EQUITY AND RESERVES	5.22	5.38	5.65
Share capital	3.08	3.08	3.08
Reserves and Surplus	2.13	2.30	2.57
Non-current liabilities	0.10	0.22	0.19
Long-Term Borrowings	0.01	0.13	0.07
Deferred tax Liabilities (Net)	0.09	0.09	0.13
Current liabilities	6.39	8.29	9.16
Short-Term Borrowings	5.67	5.25	5.60
Current Portion Of Long Term Debt	0.04	0.08	0.07
Trade Payables	0.21	2.57	3.02
Other Current Liabilities	0.38	0.28	0.30
Short-Term Provisions	0.09	0.12	0.18
Total Liabilities	11.71	13.90	15.00
ASSETS			
Non-current assets	3.36	4.51	5.53
Net Fixed assets	3.30	3.37	4.32
Capital Work-In-Progress	0.00	0.00	0.00
Non Current Investments	0.06	1.01	1.01
Long Term Loans and Advances	0.00	0.01	0.00
Other Non Current Assets	0.00	0.13	0.20
Current assets	8.34	9.39	9.47
Inventories	2.91	4.19	4.79
Trade Receivables > Six Months	0.12	0.49	0.23
Trade Receivables < Six Months	4.14	4.10	3.57
Cash and Cash Equivalents	0.68	0.19	0.26
Short-Term Loans and Advances	0.49	0.42	0.62
Total Assets	11.71	13.90	15.00

Asansol Polyfabs Private Limited (APPL)
Annexure 3: Financial Ratios

Particulars	FY 13	FY 14	FY 15
	Audited	Audited	Audited
Tangible Net Worth (Rs. Crs)	5.22	5.38	5.65
Capital Employed	1.10	1.01	1.01
Long Term Debt/TNW (times)	0.00	0.03	0.01
TOL/TNW (times)	1.24	1.58	1.65
ISCR (times)	1.93	1.89	1.93
DSCR (times)	1.85	1.72	1.64
Net Cash Accruals/Total Debt (times)	0.10	0.11	0.12
Net Cash Accruals/Long Term Debt (times)	44.52	4.62	10.75
Net Profit Margin (%)	0.64	0.65	1.18
Operating Profit Margin (%)	6.63	5.62	5.80
ROCE (%)	8.14	9.04	11.62
Current Ratio (times)	1.31	1.13	1.03
Days Receivables (Days)	82	65	56
Days Inventory (Days)	56	55	63
Days Payable (Days)	4	22	42
Conversion Cycle (Days)	134	97	77