

October 16, 2015

| Facilities                  | Amount (Rs. Crore) | Ratings                     |
|-----------------------------|--------------------|-----------------------------|
| Term Loan                   | 5.17               | SMERA BB-/Stable (Assigned) |
| Cash Credit                 | 5.40               | SMERA BB-/Stable (Assigned) |
| Cash Credit (Proposed)      | 4.60               | SMERA BB-/Stable (Assigned) |
| Letter of Credit (Proposed) | 1.00               | SMERA A4+ (Assigned)        |
| Bank Guarantee              | 0.28               | SMERA A4+ (Assigned)        |
| Bank Guarantee (Proposed)   | 1.22               | SMERA A4+ (Assigned)        |

SMERA has assigned a long-term rating of '**SMERA BB-**' (read as SMERA double B minus) and a short-term rating of '**SMERA A4+**' (read as SMERA A four plus) to the above mentioned bank facilities of East Hooghly Polyplast Private Limited (EHPPL). The outlook is '**Stable**'. The ratings reflect the company's healthy revenue growth, moderate scale of operations and extensive experience of the management. The ratings are also supported by reputed clientele. However, the ratings are constrained by the company's below average financial risk profile marked by high gearing, low net worth and moderate debt protection metrics. The ratings are further constrained by the limited track record of operations and a highly competitive woven sack industry.

### Outlook: Stable

SMERA believes EHPPL will maintain a stable business risk profile in the medium term on account of the experienced management and healthy revenue growth. The outlook may be revised to 'Positive' in case of significant improvement in the financial risk profile of the company. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability or further deterioration in the company's financial risk profile.

### About the Company

The Hooghly-based EHPPL, incorporated in 2009 is engaged in the manufacture of HDPE tarpaulin and fabric sheets. The company began commercial operations in 2010 and has its manufacturing unit and administrative office at Hooghly, West Bengal. The overall operations of the company are managed by Mr. Mainak Mondal, the promoter.

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For FY2013-14, EHPPL reported profit after tax (PAT) of Rs.0.18 crore on total operating income of Rs.13.76 crore, as compared with PAT of Rs.0.05 crore on total operating income of Rs.9.70 crore in FY2013-14.

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