

Press Release

11 March, 2017

Auropol India Private Limited

Rating Assigned

Total Bank Facilities Rated *	Rs.5.30 Cr.
Long Term Rating	SMERA B+ / Outlook: Stable
Short Term Rating	SMERA A4

Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B+**' (read as **SMERA B plus**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs. 5.30 crore bank facilities of Auropol India Private Limited. The outlook is '**Stable**'.

Auropol India Private Limited (AIPL), incorporated in 1999 is a Kolkata-based company engaged in the manufacturing of specialty rubber chemicals and plastic additives. The commercial operations commenced in 2000. The company mainly caters to the rubber industry- both tyre and non-tyre, plastic and electrical. About 90 per cent of the revenue is generated from rubber and the balance from plastic additives. The company was promoted by Mr. Biswanath Bhattacharyya and Mr. Arabinda Sekhar Bhattacharyya.

Key Rating Drivers

Strengths

- **Experienced management and long track record of operations**

The Directors, Mr. Biswanath Bhattacharyya and Mr. Arabinda Sekhar Bhattacharyya possess almost two decades of experience in the aforementioned line of business.

- **Healthy financial risk profile**

The healthy financial risk profile is marked by low gearing of 0.88 times, comfortable interest coverage of 2.70 times and DSCR of 2.35 times as on 31st March' 2016. The net worth base stood at Rs 6.09 crore as on 31 March, 2016 as against Rs 5.85 cr in the previous year.

Weaknesses

- **Working capital intensive operations**

The operations are working capital intensive marked by gross current asset days of 214 in FY2016 as compared to 221 days in the previous year. The inventory and debtors days stood at 67 and 92 respectively in FY2016.

- **Modest scale of operations**

The scale of business is modest marked by revenue of Rs.16.49 cr in FY2016 as against Rs.14.54 crore in FY2015.

Analytical Approach

SMERA has considered the standalone financial and business risk profiles to arrive at the rating.

Outlook: Stable

SMERA believes that AIPL will maintain a stable outlook in the medium term backed by the promoters' extensive experience and relations with reputed clientele. The outlook may be revised to 'Positive' if the company registers more than expected revenue while achieving better net profit margins. However, the outlook may be revised to 'Negative' if the company fails to achieve the expected revenue, profitability or if the working capital cycle further deteriorates.

About the Rated Entity - Key Financials

For FY2016, AIPL reported profit after tax (PAT) of Rs.0.35 cr on total operating income of Rs.16.49 cr, as compared with (PAT) of Rs.0.66 cr on total operating income of Rs.14.54 cr in FY2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	0.15	SMERA B+ / Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.20	SMERA B+ / Stable
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	0.25	SMERA A4
Letter of credit	Not Applicable	Not Applicable	Not Applicable	0.70	SMERA A4

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ABOUT SMERA

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