

January 18, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	10.00	SMERA BB/Stable (Upgraded from SMERA B+/Stable)
Term Loan	7.17	SMERA BB/Stable (Upgraded from SMERA B+ / Stable)
Letter of Credit	10.00	SMERA A4+ (Upgraded from SMERA A4)

SMERA has upgraded the long term rating on the above mentioned fund based facilities of Baddi Foils Private Limited (BFPL) to '**SMERA BB' (read as SMERA double B)** from '**SMERA B+**' (read as SMERA B plus) and the short term rating to '**SMERA A4+' (read as SMERA A four plus)** from '**SMERA A4**' (read as SMERA A four). The outlook is '**Stable**'. The rating upgrade takes into account the healthy revenue visibility owing to commencement of operations of the new facility in Bhiwadi-Rajasthan. The new facility is the backward integration for manufacture of pharma grade aluminium & non-aluminium foils. The upgrade also notes the improvement in the financial risk profile of the company and the experienced management. However, the rating is constrained by the intensely competitive packaging industry and exposure to raw material fluctuation risk.

Update

The net worth of the company increased to Rs.13.85 crore as on March 31, 2015 from Rs.11.84 crore as on March 31, 2014 while the net profit margin improved to 2.11 per cent for FY2015 from 1.89 per cent in FY2014. The interest coverage ratio improved to 2.22 times in FY2015 from 1.72 times in FY2014. The profitability margins remain susceptible to volatility in prices of raw material.

Outlook: Stable

SMERA believes BFPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management and established relations with customers. The outlook may be revised to 'Positive' in case BFPL registers strong growth in revenues and cash accruals while achieving comfortable liquidity position. Conversely, the outlook may be revised to 'Negative' in case of significant decline in revenues and cash accruals or deterioration in the financial risk profile and liquidity position.

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SMERA RATINGS LIMITED

Baddi Foils Private Limited (BFPL)

*Rating
Rationale*

About the Company

BFPL, incorporated in 2005 is a Himachal Pradesh-based company promoted by Mr. Sanjay Khurana and Mrs. Geeta Khullar. The company is engaged in the manufacture of pharmacy medicine packaging material such as aluminium foils, aluminium ROPP caps and seals.

For FY2014–15, BFPL reported profit after tax (PAT) of Rs.2.01 crore on operating income of Rs.95.27 crore, as compared with PAT of Rs.1.29 crore on operating income of Rs.68.62 crore for FY2012–13. The company's net worth stood at Rs.13.85 crore as on March 31, 2015, as compared with Rs.11.84 crore a year earlier.

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