

July 16, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	5.00	SMERA BB/Stable (Assigned)
Letter of Credit	7.50	SMERA A4+ (Assigned)

SMERA has assigned a long term rating of '**SMERA BB**' (read as **SMERA double B**) and short term rating of '**SMERA A4+**' (read as **SMERA A four plus**) to the above mentioned bank facilities of BB Asia Impex Private Limited (BBAIPL). The outlook is '**Stable**'.

The rating derives comfort from the established track record of the promoters, moderate financial risk profile marked by comfortable debt protection metrics and strong fund support from group entities. However, the rating is constrained by the moderate scale of operations, working capital intensive business and pending duty drawback benefits. The rating also factors in the company's exposure to regulatory risks.

**Outlook: Stable**

SMERA believes that the company will continue to benefit over the medium term from the promoters' extensive experience in the polymer and chemical trading business. The outlook may be revised to 'Positive', if the company achieves increased revenue growth with sustained improvement in its profit margins along with effective working capital management. Conversely, the outlook may be revised to 'Negative' in case of a significant decline in the company's revenues and profit margins, deterioration in the company's capital structure or change in policies related to Duty Entitlement Pass Book (DEPB) benefits.

**About the Company**

BBAIPL, established in 1990, is a Chennai-based company promoted by Mr. Ajay Kumar Agarwal, Mr. Om Prakash Agarwal and others. The company is engaged in the import and trading of polymer and chemical products and is strongly supported by its group entities - Petro Plast Industries Limited and Raj Chem Plast. The latter is the Del Credere Agent (DCA) for GAIL's petrochemical products.

For FY2013-14, the company reported profit after tax (PAT) of Rs.0.14 crore on operating income of Rs.35.35 crore as against PAT of Rs.0.10 crore on total revenues of Rs.23.80 crore for FY2012-13.

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

## BB Asia Impex Private Limited (BBAIPL)

*Rating  
Rationale*

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