

July 29, 2015

Facilities	Amount (Rs. Crore)	Rating
<b>Cash Credit</b>	<b>6.90</b>	<b>SMERA B/Stable (Assigned)</b>
<b>Term Loan</b>	<b>2.96</b>	<b>SMERA B/Stable (Assigned)</b>

SMERA has assigned the long-term rating of '**SMERA B** (read as **SMERA B**) on the Rs.09.86 crore bank facilities of Anantha Biotechnologies and Allied Industries Private Limited (ABAIPL). The outlook is '**Stable**'. The rating remains constrained by the company's small-scale of operations, limited operational track record, weak debt-protection metrics and working capital-intensive business. However, the rating draws comfort from the experienced management.

### **Outlook: Stable**

SMERA believes ABAIPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers strong growth in revenues while achieving sustained improvement in profit margins, capital structure and liquidity position. Conversely, the outlook may be revised to 'Negative' if the company registers lower-than-expected revenues and profit margins, or in case of stretch in the company's liquidity position.

### **About the Company**

ABAIPL, incorporated in 2009, is a Hyderabad-based company promoted by Mr. K Radhakrishna Reddy and Mr. H Ananda Reddy. The company manufactures micro irrigation systems (drip and sprinkler irrigation) apart from high, low, linear-low density polyethylene and polyvinyl chloride pipes.

ABAIPL registered profit after tax (PAT) of Rs.0.06 crore on revenue of Rs.08.53 crore for FY2013-14, as compared with loss of Rs.0.13 crore on revenue of Rs.02.88 crore in FY2012-13. ABAIPL's net worth stood at Rs.1.63 crore as on March 31, 2014, as compared with Rs.0.87 crore a year earlier.

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