

December 09, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.50	SMERA B-/Stable (Assigned)
Letter of Credit	1.50	SMERA A4 (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (**read as SMERA B minus**) and a short-term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.6.00 crore bank facilities of Indus Manufacturing Private Limited (Indus). The outlook is '**Stable**'. The ratings are constrained by the company's weak financial risk profile, small scale of operations and working capital intensive nature of operations. However, the ratings draw comfort from the experienced management.

Outlook: Stable

SMERA believes that Indus will maintain a stable business risk profile over the medium term due to its extensive management experience. The outlook may be revised to 'Positive' in case the company registers growth in revenues while sustaining profitability and maintaining its financial risk profile. Conversely, the outlook may be revised to 'Negative' if it registers decline in profitability and returns on capital or deterioration in the financial risk profile.

Rating Sensitivity Factors

- Ability to scale up operations while maintaining margins
- Improvement in the capital structure
- Effective working capital cycle

About the Company

The Pune-based Indus, established in 2005 as a partnership concern, was converted to private limited in 2015. Promoted by Mr. Shriram Ranade and Mr. Kaustubh Marathe, the company is engaged in the manufacture of polymer resin and gel coat.

For FY2014–15, Indus reported loss of Rs.0.41 crore on net operating income of Rs.18.50 crore, as compared with loss of Rs.0.14 crore on operating income of Rs.17.28 crore in the previous year.

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