

Press Release

Indus Manufacturing Private Limited (IMPL)

10 July, 2017



Rating Reaffirmed

Total Bank Facilities Rated*	Rs.6.00 Cr
Long Term Rating	SMERA B-/Stable (Reaffirmed)
Short Term Rating	SMERA A4 (Reaffirmed)

*Refer Annexure for details

Rating Rationale

SMERA has reaffirmed the long term rating of '**SMERA B-**' (**read as SMERA B minus**) and short term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs.6.00 crore bank facility of Indus Manufacturing Private Limited (Indus). The outlook is '**Stable**'.

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.

Strengths

Experienced management: Indus, established in 2005 was promoted by Mr. Shriram Ranade and Mr. Kaustubh Marathe. The promoters have around two decades of experience in the chemical industry.

Weaknesses

Small scale of operations: The scale of operations is small with revenue base of Rs. 21.53 crore in FY2015-16 compared to Rs.18.50 crore in FY2014-15.

Weak financial risk profile: The financial risk profile is weak marked by debt to equity of 7.78 times as on 31 March, 2016 compared to 8.14 times as on 31 March, 2015. The company has low networth of Rs.0.74 crore as on 31 March, 2016 as against Rs.0.75 crore as on 31 March, 2015. The ICR stood low at 1.08 times for FY2015-16 as compared to 0.81 times for FY2014-15.

Foreign exchange fluctuation risk: Imports constitute around 20 percent of the total purchases thus, the company is exposed to fluctuations in foreign exchange rates.

Analytical approach: Standalone business and financial risk profile of the company.

Applicable Criteria

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

Outlook: Stable

SMERA believes that Indus will maintain a stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case of more than anticipated growth in revenues, profitability and if the company maintains its financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of decline in profitability and returns on capital or registers deterioration in the financial risk profile.

About the rated entity financials

For FY2015-16, Indus reported PAT of Rs.(0.33) crore on operating income of Rs.21.53 crore as against PAT of Rs.(0.41) crore on operating income of Rs.18.50 crore for FY2014-15. The net worth stood at Rs.0.74 crore as on 31 March, 2016 compared to Rs.0.75 crore a year earlier.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: None

Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
December 09, 2015	Cash Credit	Long Term	4.50	SMERA B-/Stable (Assigned)
	Letter of Credit	Short Term	1.50	SMERA A4 (Assigned)

***Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	N.A	N.A	N.A	4.50	SMERA B-/Stable (Reaffirmed)
Letter of Credit	N.A	N.A	N.A	1.50	SMERA A4 (Reaffirmed)

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ABOUT SMERA

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