

Olympia Industries Limited: Assigned

Facility	Amount (Rs. Crore)	Rating/Outlook
Cash Credit	15.00	SMERA BBB-/Stable (Assigned)

SMERA has assigned rating of '**SMERA BBB-**' (read as **SMERA triple B minus**) to the Rs.15.00 crore bank facility of Olympia Industries Limited (OIL). The outlook is '**Stable**'.

The rating derives comfort from the experienced management, established marketing and distribution channels and diversified business profile. The rating also draws support from the scale of operations of the company and its healthy capital structure. However, the rating is constrained by the highly competitive industry, working capital intensive operations leading to moderate financial risk profile.

OIL was incorporated in 1987 as Double A twisters Private Limited and renamed Olympia Industries Limited in 1993. The company, a distributor of FMCG products entered into an agreement with Amazon in 2014 to sell baby care, beauty and personal care products online. OIL has been dealing with leading brands such as Phillips, Panasonic, Olay, Pantene among others. The company is one of the few 'platinum' sellers on Amazon. The EBIDTA margins decreased from 4.43 per cent in FY2015 to 2.55 per cent in FY2016. The debt protection metrics have remained healthy with interest coverage ratio of around 4.87 times in FY2015-16 as compared with 11.49 times in FY2014-15. The company has booked revenues of Rs. 188.23 crore in FY2016 as compared with Rs.122.55 crore of revenue in FY2015.

OIL has healthy gearing of 0.65 times as on March 31, 2016 as compared to 0.38 times in the previous year. Besides, the promoters and investors have infused Rs.1.80 crore through share warrants in FY2016 and committed capital infusion of Rs.11.70 crore to the business in FY2017 and FY2018.

Outlook: Stable

SMERA believes that the outlook on OIL's rated facilities will remain 'Stable' over the medium term. The outlook may be revised to 'Positive' if the company registers higher-than-expected growth in revenues while maintaining comfortable debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile.

Rating Sensitivity Factors

- Increase in scale of operations while improving profitability
- Efficient working capital cycle

Criteria applied to arrive at the rating:

- Trading Entities

About the Company

The Mumbai-based, OIL was established in 1987 as Double A Twisters Private Limited and subsequently renamed Olympia Industries Limited in 1993. The company, promoted by Mr. Navin Pansari and Mr Anurag Pansari, is engaged in the distribution of FMCG products. In 2014, OIL entered into an agreement with Amazon to sell FMCG products including baby care and personal care products on its website.

For FY2015–16, the company reported profit after tax (PAT) of Rs.2.58 crore on operating income of Rs.188.23 crore, as compared with profit after tax (PAT) of Rs.4.57 crore on operating income of Rs.122.54 crore in FY2014–15. The net worth stood at Rs.19.59 crore as on March 31, 2016 against Rs.8.56 crore a year earlier.

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ABOUT SMERA

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