

July 14, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	1.60	SMERA BB+/Stable (Assigned)
Cash Credit	6.50	SMERA BB+/Stable (Assigned)
Bank Guarantee	0.50	SMERA A4+ (Assigned)
Letter of Credit	4.00	SMERA A4+ (Assigned)
Proposed Long Term	2.40	SMERA BB+/Stable (Assigned)

SMERA has assigned ratings of '**SMERA BB+**' (**read as SMERA double B plus**) and '**SMERA A4+**' (**read as SMERA A four plus**) to the Rs.15.00 crore bank facilities of Ebullient Packaging Pvt. Ltd. (EPPL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, reputed clientele and healthy financial risk profile. However, the ratings are constrained by the company's exposure to intense competitive pressure.

EPPL, established in 2007, is a Mumbai-based company engaged in manufacturing of industrial bulk packaging which includes Flexible intermediate bulk container (jumbo bags), rigid packaging, MS drums, fiber drums, plastic drums, reconditioning barrels. EEPL benefits from its experienced management. The directors of EEPL have around two decades of experience in the company's line of business. EEPL also benefits from its long-standing relations with various reputed customers, including Pidilite Industries Limited, Bombay Dyeing & Mfg Co Limited, Aarti Industries Limited and Biostadt India Limited. The company also export to GPK Products, Ste Lorraine Emball Solodem. EEPL's healthy financial risk profile is marked by low gearing (debt-equity ratio) of 0.73 times as on March 31, 2014 and moderate interest coverage ratio of 2.15 times in FY2013-14.

EEPL has limited bargaining power against customers on account of the intense competition prevalent in the packaging industry.

Outlook: Stable

SMERA believes EEPL will maintain a stable business risk profile in the near term on the back of its experienced management and established relations with reputed customers. The outlook may be revised to 'Negative' in case of decline in the company's revenues and profit margins. Conversely, the outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and profitability.

About the company

EEPL, incorporated in 2007, is a Mumbai-based company engaged in manufacturing of Industrial bulk packaging which includes Flexible intermediate bulk container (jumbo bags), rigid packaging, MS

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drums, fiber drums, plastic drums, reconditioning barrels. The company has three manufacturing units in Silvassa, (Dadar and Nagar Haveli), Bhiwandi (Maharashtra) and Bhavnagar (Gujarat).

For FY2013-14, EEPL reported PAT of Rs.2.06 crore on net sales of Rs.54.63 crore, as compared with PAT of Rs.1.47 crore on net sales of Rs.39.79 crore for FY 2012-13. For FY2014-15 (provisional financials), Company reported PAT of Rs. 1.66 crores on operating income of Rs. 67.13 crores. The company's net worth stood at Rs.15.79 crore as on March 31, 2014, as compared with Rs.8.73 crore a year earlier.

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