



Press Release

Anusaya Poly Products Industries

September 18, 2020

Rating

Sl. No.	Instrument/Facility	Amount (INR Crore)	Rating Assigned	Rating Action
1.	Long Term Fund Based Facility – Cash Credit	6.00	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook)	Assigned
2.	Long Term Fund Based Facility – Term Loan*	6.24	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook)	Assigned
	Total	12.24		

*Outstanding as on 31st August, 2020.

Details of Facilities are in Annexure I

Detailed Rationale

The rating derives strength from Significant growth in scale of operations and high gross profit margins. However, the strengths are, partially offset by Moderate gearing and debt coverage indicators and Working Capital Intensive Operations

Key Rating Sensitivities

Upward rating factor(s) – Significant improvement in debt coverage indicators and improvement in profitability margins could lead to a positive rating action

Downward rating factor(s) – Any further deterioration in the debt metrics and profitability margins may lead to a negative rating action.



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Key Rating Drivers with detailed description

Key Rating Strengths

Significant growth in scale of operations and high gross profit margins

The firm witnessed a healthy growth in operation since its inception in FY17. Total operating income of the firm increased by ~70% from INR 9.37 crore in FY19 to INR 16.00 crore in FY20. FY2019 onwards the business picked up wherein, the firm started establishing relationship with stakeholders such as clients and suppliers. In FY2020 the company grew further due to growing scope of a start-up business. The EBITDA Margin of the company was ~33.02% in FY19 which came down to ~16.42% in FY20 due to increase in Total Operating Income through the years.

Key Rating Weaknesses

Moderate gearing and debt coverage indicators

The company's overall gearing and Total debt to GCA ratio as on 31st March 2020 stood at 1.22x and 5.71x. The Total outside liabilities to Tangible net worth ratio as on account closing day of FY20 stood at 1.60x. The main reason for moderate debt coverage indicators was the term loans that were taken to fund the capex – purchase of machinery for the business. There are no major plans of capex in the near future. Hence, these ratios are expected to improve in the near to medium term.

Working Capital Intensive Operations

The company's operations are working capital intensive in nature as reflected in total current assets of 160 days in FY2020, comprising of average collection period of 71 days and average inventory holding period of 89 days. The total operating cycle of the company on an average stood at 143 days in FY2020.

Analytical Approach: Standalone

Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)



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Liquidity – Stretched

The company's last 12 months' working capital utilisation is high at ~93%. The current and quick ratio as on the last day of FY20 was 0.96x and 0.55x respectively. The firm earns a moderate level of GCA to meet their debt obligations. The interest coverage ratio as on 31st March, 2020 stands at 2.57x. The overall liquidity of the company is **Stretched**.

About the Company

Established in 2017, Anusaya Poly Products Industries (APPI) is engaged in manufacturing, of PP/HDPE woven fabrics, PP/HDPE woven sacks/bags, and leno mesh bags. The firm's in-house lamination setup helps it to provide customized solutions as per client requirements. The partners of the firm are Mr. Dharma Laxman Deore, Mr. Dhiraj Dharma Deore, Mrs. Pushpa Dharma Deore. The firm caters to various industries such as Sugar Industry, Fertilizer Industry, Cement Industry, Food Industry, and Engineering Works.

Financials (Standalone):

(INR Crore)

For the year ended* / As on	31-03-2019 (Audited)	31-03-2020 (Audited)
Total Operating Income	9.37	16.00
EBITDA	3.09	2.63
PAT	-0.01	0.14
Total Debt	10.39	11.95
Tangible Net worth	4.71	8.50
EBIDTA Margin (%)	33.02	16.42
PAT Margin (%)	-0.09	0.83
Overall Gearing Ratio (x)	2.08	1.22

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickwork Ratings in its press release dated June 24, 2020 has migrated the rating of Anusaya Poly Products Industries to "Issuer Not Cooperating" category.

Any other information: N.A.



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Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (INR crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Long Term Fund Based Facility - Cash Credit	Long Term	6.00	IVR B+/ Stable outlook (IVR Single B Plus with stable outlook)	--	--	--
2.	Long Term Fund Based Facility – Term Loan*	Long Term	6.24	IVR B+/ Stable outlook (IVR Single B Plus with stable outlook)	--	--	--

* Outstanding as on 31st August, 2020.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy,



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Annexure I: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facility - Cash Credit	--	One year RLLR i.e 6.90% + 3.10% CRP + 0.25% = 10.25% p.a.	On Demand	6.00	IVR B+/ Stable outlook (IVR Single B Plus with stable outlook)
Long Term Fund Based Facility – Term Loan*	--	One Year MCLR i.e.8.30% + 3.00% =11.30% p.a. & One year RLLR i.e. 8.05% + 4.80% + 0.40% (T.P) = 13.25% p.a.	Ranging from October 2022 to March 2025	6.24	IVR B+/ Stable outlook (IVR Single B Plus with stable outlook)

* Outstanding as on 31st August, 2020.