

Rating Rationale

Damati Plastics

21st April 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 21.40 Crores of Damati Plastics

Particulars

Facility	Limits (₹ Crores)	Current Limits (₹Crores)	Tenure	Previous Rating*	Current Rating*
Fund Based: Term Loans	4.20	8.00	Long Term	BWR B+ (Pronounced BWR Single B Plus) (Outlook – Stable)	BWR B+ (Pronounced BWR Single B Plus) (Outlook – Stable)
Non-Fund Based: PCFC FDBP FLC- (Raw Material) FLC Bank Guarantee	6.00 3.00 3.00 8.26 0.40	7.00 3.00 3.00 0.40	Short Term	BWR A4 (Pronounced BWR A Four)	BWR A4 (Pronounced BWR A Four)
Total	24.86	21.40	(INR Twenty Four Crore and Eighty Six Lacs Only)		(INR Twenty One Crore and Forty Lacs Only)

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials up to FY 16, projections up to FY 17 shared by the Firm, publicly available information and information/clarification provided by the partners.

The ratings, inter alia, factor experience of the partners in the plastic industry, better capacity utilization and good revenue visibility in near future. The ratings, however, constrained by high working capital intensity of the business, moderately leveraged capital structure and modest scale of operations.

Rating Outlook: Stable

BWR believes the Damati Plastics' business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Firm

Damati Plastics, is a partnership firm incorporated in 2003. The partners are Mr.Kanaiyalal Parwani, Mrs. Meera Kanaiyalal Parwani , Mr. Sunil K Parwani , Mr. Deepak K Parwani , Mr.Varun K Parwani.

The firm has a wide product portfolio which includes plastic microwavable food containers, plastics cutlery and foods packaging products. The firm owns 2 manufacturing facilities in Daman and Silvassa. These facilities feature 35 state of the art plastic moulding machines.

Firm Financial Performance

During the FY16, the firm has managed to achieve operating income of ₹29.03 Cr as against ₹22.47 crore in FY15. PBIT stood at ₹1.64 Cr in FY16 as against PBIT of ₹ 1.94 Cr in FY15.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	FY15	FY15	FY14
1	Term Loan	Long Term	8.00	BWR B+	BWR B+	-	-
2	PCFC	Short Term	7.00	BWR A4	BWR A4	-	-

3	FDBP	Short Term	3.00	BWR A4	BWR A4		
4	FLC	Short Term	3.00	BWR A4	BWR A4		
5	Bank Guarantee	Short Term	0.40	BWR A4	BWR A4		

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.