

Rating Rationale

Brickwork Ratings Reaffirms 'BWR BBB-' & 'BWR A3' Ratings for Bank Loan Facilities aggregating ₹ 6.05 Cr of Accurate Polymers Private Limited.

Brickwork Ratings (BWR) has *reaffirmed* the **Ratings¹** for Bank Loan facilities of Accurate Polymers Private Limited (**APPL or 'the Company'**) as follows:

Facility	Amount in (₹ Cr)		Tenure	Present Rating	Previous Rating (December 2014)
	Previous Limits	Present Limits			
Fund Based					
Cash Credit	2.75	2.25	Long Term	Reaffirmed at BWR BBB- (Pronounced BWR Triple B Minus)	BWR BBB- (Pronounced BWR Triple B Minus)
Term Loans	3.09	1.80*			
Non-Fund Based					
Letter of Credit	1.50	1.50	Short Term	Reaffirmed at BWR A3 (Pronounced BWR A Three)	BWR A3 (Pronounced BWR A Three)
Bank Guarantee	0.50	0.50			
Total	7.84	6.05	INR Six Crores and Five Lakhs only		

*Term Loan outstanding as on 30.11.2015

BWR has essentially relied upon the audited financial results of APPL upto FY15, projected financial statements up to FY17, and information/clarifications provided by the management of the Company.

The ratings continue to draw strength from the experience of the promoters, established marketing and distribution channels, established brand position of Ori-Plast in the northern and eastern regions of the country, growth in revenue and a letter of comfort from Ori-Plast Limited assuring both financial and strategic support to APPL. However, the rating is constrained by small scale of operations, weak liquidity position and low contribution of funds by promoters.

Background:

Incorporated in 2008, APPL is promoted by Mr. Prakash Birmecha, Mr. Kamal Agarwal, Mr. Mahendra Kumar Sawalka, Mr. Danmal Bohra, Mr. Pradeep Kumar Kedia, Mr. Ashish Agarwal and Mr. Harshvardan Agarwal. It manufactures PVC Pipes & Fittings.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Business Overview:

APPL is engaged in the business of manufacturing PVC pipes and fittings which find application across Plumbing, Irrigation, Real Estate, Construction and various other sectors. The unit commenced its operations in May 2012. The manufacturing facility is located in Sankrail (Kolkata), with an installed capacity of 3500 MTPA. The product profile has a wide range from 20mm to 200mm. It is associated with Ori-Plast for technical and marketing guidance. The Company is selling its products under the established brand name of 'Ori-Plast' using the distribution network of Ori-Plast Ltd.

Financial Performance:

As per audited financial statements for FY15, APPL reported Total Operating Income of Rs. 22.54 Crores against Rs. 14.93 Crores in FY14. In FY15, the Company reported Net Profit of Rs. 0.22 Crore against Net Loss of Rs. 0.81 Crore in FY14.

Further, as per provisional information provided by the Company's management, APPL has achieved a turnover of Rs. 12.22 Crores in 1HFY16.

Rating Outlook:

Going forward, the continued support from Ori-Plast Ltd and the ability of the Company to achieve its projected turnover, improve its liquidity position, profitability and its capital structure with infusion of funds will be the key rating sensitivities.

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