

Rating Rationale

Brickwork Ratings reaffirms 'BWR BBB-' and 'BWR A3' Ratings for Bank Loan facilities aggregating to ₹7.84 Crores of Accurate Polymers Private Limited

Brickwork Ratings (BWR) has reaffirmed the **Ratings**¹ for Bank Loan facilities of Accurate Polymers Private Limited (APPL or 'the Company') as follows:

Facility	Amounts in ₹ Cr		Tenure	Present Rating	Rating History
	Previous Limits	Present Limits			
Fund Based					
Cash Credit	2.75	2.75	Long Term	Reaffirmed at BWR BBB- (Pronounced BWR Triple B Minus) Outlook: Stable	BWR BBB- (Pronounced BWR Triple B Minus) Outlook: Stable (May 2013)
Term Loans	6.00	3.09			
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	0.00	0.50			
Total	10.25	7.84	INR Seven Crores Eighty Four Lakhs only		

Note: The present limit of Term Loan is outstanding amount as on 30.11.2014

BWR has essentially relied upon the audited financial results of APPL upto FY14, projected financial statements upto 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 channel, established brand position of Ori-Plast in the northern and eastern regions of the country and presence of a letter of comfort from Ori-Plast Limited assuring both financial and strategic support to APPL. The ratings are constrained by small scale of operations, low capacity utilisation, accumulated losses and stretched debt coverage and interest coverage indicators.

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

Background:

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

Business Overview:

APPL is engaged in the business of manufacturing PVC pipes and fittings which find their application across Plumbing, Irrigation, Real estate, Construction, and various other sectors. The unit commenced operations during 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 Ltd 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 FY14, APPL reported Total Operating Income of Rs. 14.93 Crs., Operating Profit before Depreciation, Interest and Tax (OPBDIT) of Rs. 2.18 Crs. and Net Loss of Rs. 0.81 Crs.

Rating Outlook:

Going forward, the continued support from Oriplast Ltd and ability of the firm to improve its capacity utilisation, achieve its projected turnover, attain profitability and improve its capital structure with infusion of funds will be the key rating sensitivities.

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