

**Press Release**

**Brickwork Ratings assigns ‘BWR BBB-’ and ‘BWR A3’ for the Bank Credit Facilities aggregating ₹ 5 Cr of Adventec Polymers Private Limited**

Brickwork Ratings (BWR) has assigned the following **Ratings<sup>1</sup>** for the Bank Loan Facilities of Adventec Polymers Private Limited.

Facility	Limit (₹ Cr)	Tenure	Rating
Cash Credit*	3.50	Long Term	<b>BWR BBB-</b> (BWR Triple B Minus)  <b>(Outlook: Stable)</b>
Letter of Credit	1.50	Short Term	<b>BWR A3</b> (BWR A Three)
Bank Guarantee (Sub Limit of LC)	(0.25)		
<b>Total</b>	<b>5.00</b>	<b>(INR Five Crores only)</b>	

*\*One way interchangeability from cash credit to Letter of Credit to extent of ₹ 1.50 Cr only*

BWR has essentially relied upon audited financial results up to FY13, projected financials for FY14 and FY15, publicly available information and information/ clarifications provided by the management.

The Rating has, inter alia, factored the long experience of the promoters in the manufacturing of PVC Pipes and fittings, established marketing and distribution channel, demand for the products and established position of Ori-Plast in northern and eastern region. Furthermore, the rating is influenced by Ori-Plast group synergies such as common management, product profile, brand name (APPL has a Trademark Licence Agreement with Ori-Plast Ltd), and Corporate Guarantee of Ori-Plast Limited. The Rating is however constrained by low net worth, small scale of operation and customer concentration risk.

APPL was incorporated in the year 2002. Smt Anita Agarwal, Smt Rekha Agarwal, Sri Harshvardhan Agarwal and Sri Kailash Chand Agarwal are the major shareholders of the company (80%). The minor shareholders also belong to the same family.

The Company is engaged in the business of manufacture of PVC pipes and fittings, which find application in Plumbing, Irrigation and various other sectors. The manufacturing facility is located in Behror, Rajasthan with an installed capacity of 5000 MT for PVC Pipes and Fittings and 4500 MT for HDPE Pipes and Fittings. The capacity utilized during FY12-13 was 3143 MT for PVC Pipes and Fittings, i.e. 62.87% utilization and 735 MT for HDPE Pipes and Fittings i.e. 16.33% utilization.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

APPL is associated with Ori-Plast Limited for technical and marketing guidance. The company is selling its products under the well-established brand name of “Ori-Plast” using the distribution network of Ori-Plast Ltd. Ori-Plast has been in the industry for the past 41 years with its distribution network all over India. It is an ISO 9001-2000 certified company, with well-established product brand “Ori-Plast”.

Mr. Ashish Agarwal, Ms. Rekha Agarwal, Mr. Ramesh Kumar Bajaj and Mr. Harshvardhan Agarwal form the Board of Directors of APPL. Of these Mr. Harshvardhan Agarwal and Mr. Ashish Agarwal are also on the Board of Directors of Ori-Plast Limited.

During FY13, the net revenue from operations increased by 37.34% from ₹ 19.87 Cr. in FY12 to ₹ 27.29 Cr. in FY13. The profitability margins of the Company have improved from 0.46% in FY12 to 1.81% in FY13. Total Borrowings stood at ₹ 4.89 Cr. and the Tangible Net Worth stood at ₹ 3.07 Cr in FY13. The turnover for the period 1<sup>st</sup> April to 31<sup>st</sup> August is ₹ 10.73 Cr.

The Firm’s performance over the next year is expected to be stable. The company’s ability to improve its scale of operation and continued support from Ori-Plast Limited would be the key rating sensitivities going forward.

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