

Rating Rationale

Brickwork Ratings reaffirms 'BWR BBB-' & 'BWR A3' Ratings for Bank Loan facilities aggregating to ₹ 6.75 Crores of Adventec Polymers Private Limited

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

Facility	Amounts in ₹ Cr		Tenure	Present Rating	Rating History (May 2013)
	Previous Limits	Present Limits			
Fund Based Cash Credit	3.50	5.00	Long Term	Reaffirmed at BWR BBB- (Pronounced BWR Triple B Minus) Outlook: Stable	BWR BBB- (Pronounced BWR Triple B Minus) Outlook: Stable
Non Fund Based Letter of Credit Bank Guarantee (sublimit of Letter of Credit)	1.50 (0.25)	1.75 (0.50)	Short Term	Reaffirmed at BWR A3 (Pronounced BWR A Three)	BWR A3 (Pronounced BWR A Three)
Total	5.00	6.75	INR Six Crores Seventy Five Lakhs only		

BWR has essentially relied upon the audited financial results of APPL upto FY14, projected financial statements upto FY16, 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 support from Ori-Plast Limited . The ratings are constrained by small scale of operations, low capacity utilisation, low tangible network and decline in revenues & profitability in FY14.

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

Background:

Incorporated in 2007, APPL is promoted by Mrs Anita Agarwal, Mrs Rekha Agarwal, Mr Harshvardhan Agarwal and Mr Kailash Chand Agarwal. The Company is engaged in the business of manufacture of PVC pipes and fittings. APPL is a part of the Ori-Plast Group. The products are marketed under the brand name of 'Ori-Plast' and the same distribution channels are used.

Business Overview:

APPL 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

Financial Performance:

As per audited financial statements for FY14, APPL reported Total Operating Income of Rs. 25.97 Crs., Operating Profit before Depreciation, Interest and Tax (OPBDIT) of Rs. 1.55 Crs. and Profit after Tax (PAT) of Rs. 0.39 Crs.

Rating Outlook:

Going forward, the continued support from Oriplast Ltd, ability of the firm to achieve its projected revenue, improve its capacity utilisation, scale of operations, profitability and tangible networth will be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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.