



Rating Rationale

Adway Print Concept Pvt Ltd

27 Sept,2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 6.54 Crores of Adway Print Concept Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based			
Cash Credit	2.00	Long Term	BWR B+ (Pronounced as Single B Plus) Outlook : Stable
Term Loan	4.35		
Soft Loan	0.19		
Total	6.54	INR Six Crore and Fifty Four Lakhs Only	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the Company upto FY18, projected financials for FY19 and FY20, publicly available information and information/clarifications provided by the management.

The rating draws strength from the promoter's experience in the industry and improving TNW and Gearing. The rating, however, is constrained by intense competition prevailing in the industry and small scale of operations.

Description of Key Rating Drivers

Credit Strengths:

- **Experienced Promoters** : The Promoters are experienced since they have also been running another company in same line of business, for more than a decade, by the name of Omega Printopack Pvt Ltd.
- **TNW (Analysed)** has continuously been increasing i.e. Rs.0.31 Cr in FY17 to Rs.1.95 Cr in FY18 and projected to increase further in FY19 and FY20.



- **Gearing (Analysed)** is also projected to improve i.e. 3.37 times in FY18 to 1.84 times in FY19.

Credit risks:

- **Operating in highly competitive environment** : The Company is engaged in the Manufacturing of mono cartons, Labels, Catch Covers Insert and E-flute cartons. The industry is marked by several players in the small, medium and large sector.
- **Small scale of operations** : Company has achieved turnover of Rs. 9.52 Cr with PAT of Rs. 0.13Cr in FY18 which is considered to be small scale.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Adway Print Concept Pvt Ltd** 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 Company

Adway Print Concept Pvt Ltd is in business of manufacturing of mono cartons, Labels, Catch Covers Insert and E-flute cartons. The company provides all the printing solutions including Met-pet Drip off, U.V., Spot U.V., Aqua Varnish, Hot Stamp Foiling, Embossing, Brailing, Folding Cutting and Pasting.

Company Financial Performance

During FY18, the company reported net revenues of Rs.9.52 Crs and PAT of Rs.0.13 Crs. Below are the Key Financial Indicators :-

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type			
Operating Revenue	₹ Cr	9.52	0.00
EBITDA	₹ Cr	0.84	-0.01

PAT	₹ Cr	0.13	-0.01
Tangible Net worth	₹ Cr	1.67	0.19
Total Debt/Tangible Net worth	Times	4.11	1.26
Current Ratio	Times	1.02	1.30

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	FY17	FY16	FY15
	Fund Based						
	Cash Credit	Long Term	2.00	BWR B+ (Pronounced as BWR Single B Plus)	NA	NA	NA
	Term Loan		4.35				
	Soft Loan		0.19				
	Total		6.54	₹ Six Crore and Fifty Four Lakhs Only			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Sector](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

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