



RATING RATIONALE

25 Jan 2021

Agarwal Polysacks Limited

Brickwork Ratings Revises the Long Term rating and reaffirms the short term rating for the Bank Loan Facilities of ₹. 14.10 Crores of Agarwal Polysacks Limited based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Sep, 2019)	Present
Fund Based Cash credit	12.50	12.50	Long Term	BWR BB- (Stable) [Downgraded] Issuer Not Cooperating*	BWR B+ (Stable) [Downgraded] Issuer Not Cooperating*
Non-fund Based Letter Of Credit	1.60	1.60	Short Term	BWR A4 [Reaffirmed] Issuer Not Cooperating*	BWR A4 [Reaffirmed] Issuer Not Cooperating*
Total	14.10	14.10	INR Fourteen crores and ten lakhs only		

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating has been downgraded to BWR B+ (Stable) and the short term rating has been reaffirmed at BWR A4 for the Bank Loan Facilities of the company under the 'Issuer Not Cooperating' category, based on the below said updates.

BWR had initially assigned rating of BWR BB(Stable)/A4 for the bank loan facilities on 26.07.2017. The rating was due for review in July, 2018. Despite follow up by BWR, no information was received from the company in order to complete the annual surveillance process. Based on the publicly available information, subsequently the rating of the Company's bank loan facilities was downgraded to BWR BB-(Stable)/short term rating reaffirmed at A4 and placed under "Issuer Not Cooperating Category" on 26.09.2019 as the company did not provide us the updated information.

Going forward, BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. Further, as we are unable to reach its bankers, banker's feedback regarding the conduct of the account is not available.

Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.



LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2016	FY 2015
Result Type		Audited	Audited
Operating Income	₹ Cr	35.89	33.83
EBIDTA	₹ Cr	2.17	1.26
PAT	₹ Cr	0.14	0.15
Tangible Networth	₹ Cr	17.18	17.04
Total Debt : TNW	Times	1.07	0.97
Current Ratio	Times	1.57	1.41

COMPANY PROFILE (As available with BWR in July, 2017)

Agarwal Polysacks Limited was incorporated in the year 1992 as a private limited company but later converted into a Limited company in the year 2000. The company is into manufacturing Bubble Films/ rolls, multiwall paper bags, HDPE Bags, PE Foam etc. The company is also engaged in trading of papers. The company is a wholesaler of Bilt Graphic Paper Products Limited. The company purchases plastic granules from Reliance Industries Limited and sacks kraft paper from the local market as well as imports from various countries. The entire process starting from procurement of raw material to finished goods is done with superior quality checks. The company manufactures Air Bubble Film / Rolls that are sold to handicraft industries who use it as a key packing material. The company sells such products directly to the clients as well as through dealer networks.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Available



RATING HISTORY FOR THE PAST THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2020	30 Sep' 2019	2018*
Fund Based Cash credit	Long Term	12.50	BWR B+ (Stable) [Downgraded] "Issuer Not Cooperating"	--	BWR BB- (Stable) [Downgraded] "Issuer Not Cooperating"	--
Non-fund Based Letter Of Credit	Short Term	1.60	BWR A4 [Reaffirmed] "Issuer Not Cooperating"	--	BWR A4 [Reaffirmed] "Issuer Not Cooperating"	--
Total		14.10	INR Fourteen crores and ten lakhs only			

*On 26.07.2017; the rating assigned was BWR BB(Stable)/ A4

COMPLEXITY LEVELS OF THE INSTRUMENTS For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Short Term Debt](#)

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ANNEXURE I

Agarwal Polysacks Limited

Details of Bank Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Fund Based Cash credit	12.50	-	12.50
	Non-fund Based Letter Of Credit	-	1.60	1.60
TOTAL				14.10

Total Rupees Fourteen crores and ten lakhs only.

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