



Rating Rationale

Agarwal Polysacks Limited

30 Sep 2019

Brickwork Ratings Revises the ratings 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		Initial (Jul 2017)	Present
Fund based	12.50	12.50	Long Term	BWR BB (BWR Double B) Stable	BWR BB- (BWR B Minus) Stable [Downgraded] Issuer Not Cooperating*,
Non Fund Based	1.60	1.60	Short Term	BWR A4	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 rating of the Bank Loan Facilities of the firm have been downgraded to BWR BB- Stable/ reaffirmed to BWR A4 under 'Issuer Not Cooperating' category from BWR BB Stable/ BWR A4.

BWR had initially rated Bank Loan facilities amounting Rs.14.10 Crs (Fund based & Non Fund based) on July, 2017 assigning rating of BWR BB Stable/BWR A4. The rating was moved to RNR in Oct 2018. BWR took up with the issuer consistently to provide required information over emails and telephonic communication. Further, as BWR is unable to reach its bankers,



banker's feedback regarding the conduct of 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]

Particulars	Units	2015	2016
		Audited	Audited
Net Sales/Revenues	₹ Cr	33.83	35.89
EBITDA	₹ Cr	1.26	2.17
PAT	₹ Cr	0.15	0.14
Tangible Net Worth	₹ Cr	17.04	17.18
Total Debt : TNW	Times	0.97	1.07
Current Ratio	Times	1.41	1.57

COMPANY PROFILE [Based on the information available 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 of 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 sack kraft paper from 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

Instrument / Facilities	Current Rating			Rating History	
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Current Rating	2018	2017
Fund Based	Long Term	12.50	BWR BB- (BWR B Minus) Stable [Downgraded] Issuer Not Cooperating*	RNR	BWR BB (BWR Double B) Stable
Non Fund Based	Short Term	1.60	BWR A4 Reaffirmed Issuer Not Cooperating*		BWR A4
Total		14.10	INR Fourteen Crores and Ten lakhs Only		



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](#)

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ANNEXURE I Agarwal Polysacks Limited Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	State Bank of India	CC LC	12.50 -	- 1.60	12.50 1.60
TOTAL					14.10

INR Fourteen Crores and Ten lakhs Only



For print and digital media

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