

Rating Rationale

Brickwork Ratings assigns ratings for the Bank Loan Facilities aggregating ₹ 13.03 Cr of Agrawal Woven Polymers

Brickwork Ratings assigns following **Rating¹** for the Bank Loan Facilities of **Agrawal Woven Polymers:-**

Facility	Limit (in Cr)	Tenure	Rating
Fund Based	13.03	Long Term	BWR B+ (Pronounced as BWR Single B Plus) Outlook - Stable
Total	13.03	INR Thirteen Crore & Three Lac only	

BWR has essentially relied upon Agrawal Woven Polymers's Audited Financials for FY16 and projections for FY17, FY18 and FY19, information provided by the management and publically available information.

The rating has, inter alia, factored in the experienced management and moderate tangible networth. The rating is, however, constrained on account of the predominately debt-funded greenfield project, low debt protection metrics and only 3 months of operations of FY16.

Background:

Agarwal Woven Polymers was established in 2014 in Udaipur as a partnership firm. Sh. Kailash Chand Agarwal, Sh. Yogesh Kumar Agarwal, Sh. Tarun Agarwal and Sh. Amit Agarwal are the partners in the firm and their percentage in 10%, 10%, 40% & 40% respectively. Firm is into the manufacturing of PP / HDPE woven and nonwoven fabrics. The firm has commenced its commercial production in January, 2016.

Financial Performance:

Since it was the first year of operations, as per the audited financials for FY16, Agarwal Woven Polymers' operating income stood at Rs. 4.80 Cr and loss stood at Rs. 0.77 Cr. Operating profit margin and net profit margin for the firm stood at 16.42% and -16.09% respectively in FY16. Debt protection metrics i.e. ISCR and DSCR for the firm stood at 1.19 times and 1.26 times respectively in FY16. Tangible networth for the firm stood at 4.50 Cr as on 31st March 2016. The firm envisages achieving sales of Rs. 38.65 Cr in the FY17 i.e. the first full year of operations.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward improving

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

profitability margins, improving debt protection metrics and scaling up the operations would be the key rating sensitivities.

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