



Rating Rationale

Aqsa Polypack Pvt. Ltd.

27th Jan 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Aqsa Polypack Pvt. Ltd. ('APPL' or 'The Company')

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based: Cash Credit Term Loan-I Term Loan-II	7.50 3.23 0.43	Long Term	BWR B+ (Pronounced as BWR Single B Plus) (Outlook:Stable)
Non-Fund Based: Letter of Credit	0.50	Short Term	BWR A4 (Pronounced as BWR A four)
Total	Rs. 11.66 Crores (Rupees Eleven Crores and Sixty Six 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 Company's audited financial results of FY14, FY15 & FY16, projections for FY17 & FY18, publicly available information and clarifications/information provided by the management.

The rating draws strength from the adequate experience of promoters in the business, healthy growth in revenues and diversified customer base. The ratings are however, constrained by APPL's small scale of operations, relatively low Net Worth, High leverage and stressed liquidity.

Rating Outlook: Stable

BWR believes the **Aqsa Polypack 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 leveraging and liquidity 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

Aqsa Polypack Private Limited was incorporated on 23rd Jan, 2012 as Private Limited Company. The company is engaged in manufacturing, exporting and trading of lamination Film, LD lamination film, Stretch film, HM/LDPE Bags & Rolls, Lay-Flat Tubing & Rolls and Shrink film; applicable in various industries for packing purpose. The company is having total Installed capacity of 4000 MT per annum.

Company Financial Performance

Revenues have increased from Rs. 25.71 Crs in FY15 to Rs. 34 Crs in FY16. Net profit increased from Rs. 0.16 Crs in FY15 to Rs. 0.59 Crs in FY16. Operating profit margin increased to 5.6% in FY16 from 3.1% in FY15. The liquidity position continues to be stressed with current ratio at 1.10 times. Though there has been an improvement, the gearing levels remain high in FY2016.

As per the half yearly provisional results the company has recorded Revenue of Rs. 18.93 Crs till 30th Sep, 2016.

Rating History for the last three years:

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (RsCrs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	7.50	BWR B+	--	--	--
2	Term Loan-I	Long Term	3.23	BWR B+	--	--	--
3	Term Loan-II	Long Term	0.43	BWR B+	--	--	--
4	Letter of Credit	Short Term	0.50	BWR A4	--	--	--

Hyperlink/Reference to Applicable Criteria

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



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For print and digital media

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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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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.