

**Rating Rationale**

**Assorted Plastics Pvt Ltd**

**29<sup>th</sup> June 2017**

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 5.44 Crore of Assorted Plastics Pvt Ltd (APPL or the ‘Company’).**

**Particulars**

Facility Rated (Proposed)	Amount (Rs. Crore)	Tenure	Rating*
			Present Rating*
Fund Based CC	2.68	Long Term	BWR BB+ Outlook Stable
Fund Based TL	2.76		
<b>Total</b>		<b>Rs. 5.44 Crore (Rupees Five Crore Forty Four Lac Only.)</b>	

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

**Rating assigned: Long Term BWR BB+ & Short Term BWR A4**

**Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has principally relied upon the audited financial results up to FY16, provisional results of FY17, publicly available information and information/clarification provided by the Company’s management.

The ratings have factored, inter alia reputed promoters having more than 3 decades of experience in the plastic industry, diversified customer and supplier base like Marico, Johnson and Godrej, established track record of the concern from the past three decades, adequate net worth considering scale of operation. The ratings are, however, relatively small scale of operation, stretched capital gearing ratio, moderate liquidity ratio, fragmented and competitive nature of the business and pricing constraint with margin pressure.

Going forward the ability of the Company to achieve the envisaged scale of operation, improvement and sustain in profitability margins in light of the increased competition and efficient management of working capital will be the key rating sensitivities.

### Rating Outlook: Stable

BWR believes the Assorted Plastics 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

Assorted Plastics Pvt Ltd is established in the year 2005. The registered office of the Company is situated at Mini Industrial Estate, Cycle Factory, Kalapahar, Guwahati, Assam. The Company is engaged into business of manufacturing of molded plastic products such as bottles, jars, closures and lids. The Company is being promoted by Mr. Mahabir Patwary, Mr. Sharad Kumar Bawari who have more than 3 decades of business experience into the same line of business. The three manufacturing facility of the Company is located at Guwahati, Assam, having an aggregate installed capacity of 1550 MTPA(metric tons per annum). The Company is an ISO certified Company and have agreement with three major Companies namely, Marico Ltd, SC Johnson Products Pvt Ltd, Godrej Consumer Products Ltd.

### Company Financial Performance

As per the provisional financial FY17, the revenue of the Company has shown a growth from ₹ 19.03 Crores in FY16 to ₹ 22.47 Crores in FY17. The Company has reported Net Profit of Rs. 0.38 Crores in FY16 against Net Profit of Rs. 1.08 Crores in FY17. Tangible net worth of the Company has increased from ₹ 6.67 Crores in FY16 to ₹ 7.75 Crores in FY17 on account of retention of profit as well as capital infusion.

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (/)	Amount (Rs Crs)	Rating	2 <sup>nd</sup> June 2016	2015	2014
1	Fund Based Cash Credit	Long Term	2.68	BWR BB+	NA	NA	NA
2	Fund Based Term Loan	Long Term	2.76				

**Status of non-cooperation with previous CRA (if applicable): Not Applicable**

**Hyperlink/Reference to Applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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**

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