



Rating Rationale

Gurukripa Wovensack Private Limited.

17 Mar, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Gurukripa Wovensack Private Limited “(GWPL or the ‘Company’)”

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			BWR B+
Cash Credit	2.50	Long Term	Pronounced BWR B Plus
Term Loan	3.38		Outlook: Stable
Total	Rs.5.88 Crores (Rupees Five Crores Eighty Eight Lakhs Only.)		

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

Rating assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The Rating draws strength from the Directors’ overall business experience, and consistent improvement in sales and liquidity position. The Rating is however constrained by relatively small scale of operations, poor debt protection metrics, geographical concentration and high competition from local players. Going forward, the Company’s ability to scale up its operations, improving the profitability margins, strengthening the liquidity position and expanding the customer base would remain the key rating sensitivities.

About the Company

Gurukripa Wovensack Private Limited was incorporated in September, 2012 located in Varanasi, U.P., commenced their operations in year 2013. They are engaged in manufacturing of PVC (Polyvinyl chloride) Pipes, UPVC (Unplasticized polyvinyl chloride) Pipes, Casing Pipes, Column Pipes, Plumbing Pipes, Garden Pipes, Water Pipe, and HDPE (High Density Polyethylene) Pipe. These pipes are used for agriculture, irrigation and construction purpose. The manufacturing unit is situated in the Durgavati region in Bihar which is a fully automated plant .The Total Installed Capacity is 10800 MT for the Tank and 6480 MT for the PVC Pipe and is ISO 9001:2008 certified. The products are sold under the brand name called G.K



Supreme, Shakti Plast and Tuff Classic through the dealers in U.P, Bihar and West Bengal, the prime distribution region being U.P. The Company is managed by Sri Ashok Agarwal and his nephew Vaibhav Agarwal who are actively involved in the business operation and management.

Company Financial Performance

As per the audited FY16 financials, the company has reported sales of Rs. 16.69 Crs against Rs 5.58 Crs in FY15. PAT stands at negative Rs.0.32 Crs in FY16 against negative Rs.1.09 Crs in FY15.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Cash Credit	Long Term	2.50	BWR B+	-	-	-
2.	Term Loan	Long Term	3.38	BWR B+	-	-	-

Status of non-cooperation with previous CRA: N/A

Hyperlink/Reference to Applicable Criteria

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

For any other criteria obtain hyperlinks from website

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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

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