



Rating Rationale

Ideal Strips

21 Oct 2019

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 25.75 Crore of **Ideal Strips** based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (July, 2017)	Present
Fund based					
Cash Credit	10.50	10.50	Long Term	BWR BB+ /Stable	Issuer did not Co-operate; BWR BB/Stable [Downgraded] (Outlook: Stable)
Term Loan	15.00	15.00			
Non Fund Based					
Bank Guarantee	0.25	0.25	Short Term	BWR A4	Issuer did not Co-operate; BWR A4 (Reaffirmed)
Total	25.75	25.75	₹Twenty Five Crores and Seventy Five Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
 Issuer did not co-operate; based on best available information
 Details of Bank facilities/NCD/Bonds/Commercial Paper is provided in Annexure-I&II

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating of the Bank Loan Facilities of the firm have been downgraded to BWR BB/Stable under 'Issuer Not Cooperating' category and its short term rating has been reaffirmed at BWR A4 under 'Issuer Not Cooperating' Category.



BWR had initially assigned the rating of BWR BB+(Outlook:Stable) to the bank loan facilities amounting to Rs.15.17 Cr. in June 2013. The rating was reaffirmed in February 2015 to the bank loan facilities of Rs.15.46 Cr. In March 2016, the rating for the long term bank loan facilities amounting to Rs.15.51 Cr. was reaffirmed at BWR BB+/Stable and a rating of BWR A4 was assigned to the short term bank loan facilities amounting to Rs.0.25 Cr. The ratings of the long term bank loan facilities amounting to Rs.25.50 Cr. were reaffirmed at BWR BB+/Stable and the rating of BWR A4 was reaffirmed for Rs.0.25 Cr. short term bank loan facilities in July 2017. The rating was due for a review in October 2018. However, on non receipt of adequate information, it was moved to 'Rating Not Reviewed' category on 22 October, 2018. BWR took up with the issuer to provide required information over emails and through telephone calls. 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 issuer/Company, 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 per the information available with BWR in July, 2017]

Key Parameters	Units	FY 16	FY 15
Result Type		Audited	Audited
Operating Income	₹ Cr	43.69	42.77
EBITDA	₹ Cr	7.30	7.63
PAT	₹ Cr	3.95	3.64
Tangible Net Worth	₹ Cr	13.27	14.82
Total Debt: TNW	Times	1.11	0.88
Current Ratio	Times	2.37	2.46



COMPANY PROFILE

M/s Ideal Strips was established in the year 2006 by Mr. Sadaram Gupta as a proprietorship concern and was taken over by Mr. Rajesh Kumar and his partners. The firm manufactures micro pet bottles for the pharmaceutical industry. Its manufacturing unit is located at Moginand village, Himachal Pradesh. The firm's ((major raw material viz; "Granules" are purchased from reputed manufacturers. Commercial production of the firm commenced in August 2011. The firm has several customers located in different parts of Himachal Pradesh, Uttaranchal and Delhi.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not available

RATING HISTORY

Instrument / Facilities	Current Rating (Oct 19)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	22 Oct, 2018	19 July, 2017	28 March, 2016*
Cash Credit Term Loan	Long Term	10.50 15.00	BWR BB/Stable (Downgraded) Issuer not Cooperating	BWR BB+/ Stable	BWR BB+/ Stable (Reaffirmed)	BWR BB+/ Stable
Bank Guarantee	Short Term	0.25	BWR A4 Reaffirmed Issuer not Cooperating	BWR A4	BWR A4 (Reaffirmed)	BWR A4
Total		25.75	INR Twenty Five Crores and Seventy Five Lakhs Only			

* The rating amount was Rs.15.76 Crores in March 2016.

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

Ideal Strips

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.	Punjab National Bank	Cash Credit	10.50	0.25	25.75
		Term Loan	15.00		
TOTAL (INR Twenty Five Crores and Seventy Five Lakhs Only)					25.75

Total Rupees Twenty Five Crores and Seventy Five Lakhs only.



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