

## Rating Rationale

### Irrilink Drip Irrigation Industries

9<sup>th</sup> May, 2017

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 5.93 Crs of M/s Irrilink Drip Irrigation Industries.**

#### Particulars

Facility Rated	Pervious Limit (Rs. In Crs)	Present Limit (Rs. In Crs)	Tenure	Rating *
<b>Fund Based</b>				<b>BWR B (Pronounced as BWR B )</b>
Cash Credit Limit	3.25	3.25	Long Term	
Term Loan-1	0.75	0.17		
Term Loan -2	3.40	2.51		
<b>Total</b>	<b>7.40</b>	<b>5.93</b>	<b>INR Five Crores Ninety Three Lacs Only</b>	

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

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

BWR has principally relied upon the Audited Financial results up to FY16, Provisional Financials of FY17 and information /clarifications provided by the Company's management.

The rating takes into the account the extensive experience of the promoters in the business, increasing revenues and upgradation of the plant by the company. However, the rating is constrained by low scale of operations, thin profitability and susceptibility of revenues/ profit margins to the uncertainty associated with the agriculture sector.

#### Rating Outlook: Stable

BWR believes the Irrilink Drip Irrigation Industry's 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

Irrilink Drip Irrigation Industries is a partnership firm incorporated in 2011 for manufacturing of Micro Irrigation System & Polyethylene (PVC) pipes. The manufacturing units is at Sirohi, Rajasthan with an installed capacity of 200 kilogram per hour of round drip line, 300 kilogram per hour of flat drip line, 300 kilogram per hour of HDPE pipes and 250 kilogram per hour of mini sprinkler (lateral).

## Company Financial Performance

As per audited financials of FY16, the Firm has reported net sales of Rs. 19.24 Crs as compared to sales of Rs. 17.81 Crs in FY15. The company has posted a PAT of Rs.0.13 Crs during FY16.

The unit has achieved an operating income of Rs. 22.65 Crs as per the provisional and unaudited financial data for FY17.

## Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. In Crs)	Rating	2016	2015	2014
	<b>Fund Based</b>						
1	Cash Credit Limit	Long Term	3.25	BWR B (Pronounced as BWR B )	NA	NA	NA
2	Term Loan-1	Long Term	0.17		NA	NA	NA
3	Term Loan -2	Long Term	2.51		NA	NA	NA
	<b>Total</b>		<b>5.93</b>	<b>INR Five Crores Ninety Three Lacs Only</b>			

## 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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