Rating Rationale

Brickwork Ratings assigns 'BWR B+/A4' rating for the Bank Loan Facilities amounting to ₹ 11.70 Cr of Vinora Industries

Brickwork Ratings has assigned the following **Ratings**[1] for the long term and short term bank loan facilities amounting to Rs.11.70 Cr (Rupees Eleven crores and Seventy Lakhs Only) of Vinora Industries :

Facility	Limits (₹ Cr)	Tenure	Ratings
Fund Based : Cash Credit	**3.00**	**Long Term**	**BWR B+ (Pronounced BWR B Plus) (Outlook – Stable)**
Non Fund Based : Bank Guarantee	**8.70**	**Short-Term**	**BWR A4 (Pronounced as BWR A Four)**
Total	**11.70**	**(INR Eleven Crores and Seventy Lakhs Only)**	

BWR has essentially relied upon the audited financial results up to FY15, and projected financials up to FY17, publicly available information and information/clarification provided by the firm's management.

The rating has factored, interalia, promoter's experience in barrel manufacturing ,firm's established relationship with customers and suppliers , operational support from group concerns(Vinora Industries and Vinora Transports) . However, the rating is constrained by low scale of operations, high competition in the industry which limits the pricing flexibility and highly leveraged capital structure.

Background

Vinora Industries, established in 2004 as a proprietorship concern by Mr. S. Rajan, is engaged in the manufacture of steel barrels and containers . The firm is also engaged in the manufacture of CRMB (Crumbled Rubber Modified Bitumen) and bitumen emulsions. The firm has a manufacturing unit at SIDCO industrial estate, Chennai.
The firm manufactures bitumen emulsions and CRMB for IOCL on jobwork basis.

Other group entities where the promoter has interests include – Vinora Industries – engaged in the manufacture of steel barrels and bitumen emulsions and Vinora Transports – engaged in the transportation of bitumen and other heavy liquids .

Management Profile

Mr. S. Rajan is the Proprietor managing the day to day operations of the business.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Financial Performance:

As per the audited financial statements of FY15, the firm has achieved sales of Rs.12.00 crs against Rs. 15.37 crores in FY14. PAT remained stable at Rs0.65 Crs in FY 15 , as against Rs. 0.62 crs in FY 14. As on FY 15, capital was at Rs. 1.03 crs and current ratio was at 3.90 times.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the firm to increase its scale of operations, improving the capital structure and maintain the existing contracts from customers and suppliers will be the key rating sensitivities.

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