

## Rating Rationale

### Brickwork Ratings assigns ‘BWR BB-’ & ‘BWR A4’ for the Bank Credit Facilities aggregating ₹ 35.98 Cr of Vishakha Irrigation Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Ratings**<sup>1</sup> for the long term Bank Credit Facilities of ₹23.96 Cr and short term Bank Credit Facilities of ₹ 12.02Cr of Vishakha Irrigations Private Limited. (“VIPL” or “the Company”)

Facility	Limits (₹ Cr)	Tenure	Rating
<u>Fund Based</u>			<b>BWR BB-</b> (BWR Double B Minus)
Cash Credit	<b>18.00</b>	<b>Long Term</b>	<b>Outlook: Stable</b>
Term Loan	<b>5.96</b>		
<u>Non Fund Based</u>			<b>BWR A4</b> (BWR A Four)
Letter of Credit	<b>10.00</b>	<b>Short Term</b>	
Bank Guarantee	<b>2.02</b>		
<b>Total</b>	<b>35.98</b>	<b>INR Thirty Five Crores &amp; Ninety Eight Lakhs only</b>	

BWR has principally relied upon the audited financial results of VIPL for period from FY11 to FY13, and information/clarification provided by the Company

The ratings, factors in the established operations of VIPL in industry, established relationship with customers & suppliers. The ratings also derive comfort from strong Parentage support of “Adani Agro Private Limited; which holds 50% stake in VIPL. The ratings, however is constrained by the relatively modest scale of operations, high working capital intensity of operations and susceptibility of its profitability to volatile raw material prices.

### Background

Vishakha Irrigations Private Limited (VIPL) is incorporated in 2008. VIPL is engaged into manufacturing of PVC pipes and fittings, HDPE Pipes and fittings and other wide range of plastic products for Water Management & Irrigation system.

### Management Profile

VIPL’s overall management is headed by Mr Jigish Doshi, CMD, who has experience of more than three decades in the plastic industry. The promoters also have presence in other businesses through various entities.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Financial Risk Profile

Operating increased by 28% in FY13 to Rs73.69Cr. Operating income for 9M' Dec2013 stood at Rs65Cr. OPBITDA margins stood at 11.48% in FY13. However, on account of higher financial charges, net profit margin stood lower at 0.38% in FY13.

### Rating Outlook

VIPL's ability to increase its scale of operations with improving profitability margins and improvement in capital structure would be the key rating sensitivity.

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