

Rating Report

Brickwork Ratings reaffirms 'BWR BBB-' and 'BWR A3' Ratings for Bank Loan facilities aggregating to Rs. 6.05 Crores of Accurate Polymers Private Limited.

Brickwork Ratings (BWR) has reaffirmed the **Ratings¹** for Bank Loan facilities of Accurate Polymers Private Limited (APPL or 'the Company') *as follows:*

Facility	Amount in Crores		Tenure	Present Rating	Previous Rating (December 2014)
	Previous Limits	Present Limits			
Fund Based					
Cash Credit	2.75	2.25	Long Term	Reaffirmed at BWR BBB- (Pronounced BWR Triple B Minus) Outlook: Stable	BWR BBB- (Pronounced BWR Triple B Minus) Outlook: Stable
Term Loans	3.09	1.80*			
Non Fund Based					
Letter of Credit	1.50	1.50	Short Term	Reaffirmed at BWR A3 (Pronounced BWR A Three)	BWR A3 (Pronounced BWR A Three)
Bank Guarantee	0.50	0.50			
Total	7.84	6.05	INR Six Crores and Five Lakhs only		

*Term Loan outstanding as on 30.11.2015

BWR has essentially relied upon the audited financial results of APPL upto FY15, projected financial statements upto FY17, and information/clarifications provided by the management of the Company.

The ratings continue to draw strength from the experience of the promoters, established marketing and distribution channels, established brand position of Ori-Plast in the northern and eastern regions of the country, growth in revenue and a letter of comfort from Ori-Plast Limited assuring both financial and strategic support to APPL. However, the rating is constrained by small scale of operations, weak liquidity position and low contribution of funds by promoters.

Background: Incorporated in 2008, APPL is promoted by Mr. Prakash Birmecha, Mr. Kamal Agarwal, Mr. Mahendra Kumar Sawalka, Mr. Danmal Bohra, Mr. Pradeep Kumar Kedia, Mr. Ashish Agarwal and Mr. Harshvardan Agarwal. It manufactures PVC Pipes & Fittings.

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

Business Overview:

APPL is engaged in the business of manufacturing PVC pipes and fittings which find application across Plumbing, Irrigation, Real Estate, Construction and various other sectors. The unit commenced its operations in May 2012. The manufacturing facility is located in Sankrail (Kolkata), with an installed capacity of 3500 MTPA. The product profile has a wide range from 20mm to 200mm. It is associated with Ori-Plast for technical and marketing guidance. The Company is selling its products under the established brand name of 'Ori-Plast' using the distribution network of Ori-Plast Ltd.

Financial Performance:

As per audited financial statements for FY15, APPL reported Total Operating Income of Rs. 22.54 Crores against Rs. 14.93 Crores in FY14. In FY15, the Company reported Net Profit of Rs. 0.22 Crore against Net Loss of Rs. 0.81 Crore in FY14. The Company's Net Worth continued to be in negative at Rs. -0.63 Crore in FY15 due to accumulated losses in FY13 and FY14. The promoters are required to infuse capital to improve the capital structure and to ensure timely servicing of debt and interest obligations.

Further, as per provisional information provided by the Company's management, APPL has achieved a turnover of Rs. 12.22 Crores in 1HFY16.

The financial details are in the Annexures I, II & III.

Rating Outlook:

Going forward, the continued support from Ori-Plast Ltd and the ability of the Company to achieve its projected turnover, improve its liquidity position, profitability and its capital structure with infusion of funds will be the key rating sensitivities.

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Accurate Polymers Pvt Ltd
Annexure I: Balance Sheet

Particulars (Rs. Crores)	FY13	FY14	FY15
	Audited	Audited	Audited
LIABILITIES			
EQUITY AND RESERVES	-0.04	-0.85	-0.63
Share capital	1.00	1.00	1.00
Reserves and Surplus	-1.04	-1.85	-1.63
Non-current liabilities	3.55	2.75	1.84
Long-Term Borrowings	3.45	2.70	1.81
Deferred tax Liabilities (Net)	0.09	0.00	0.00
Long-Term Provisions	0.02	0.05	0.03
Current liabilities	7.62	7.72	7.85
Short-Term Borrowings	4.88	4.84	3.85
Current Portion Of Long Term Debt	1.24	0.89	1.10
Trade Payables	0.48	0.86	1.05
Other Current Liabilities	0.96	1.04	1.76
Short-Term Provisions	0.06	0.10	0.10
Total Liabilities	11.13	9.62	9.06
ASSETS			
Non-current assets	6.51	5.85	5.02
Net Fixed assets	5.52	5.76	4.83
Capital Work-In-Progress	0.86	0.00	0.00
Deferred Tax Assets (Net)	0.00	0.01	0.13
Long Term Loans and Advances	0.12	0.07	0.05
Other Non Current Assets	0.01	0.01	0.01
Current assets	4.62	3.78	4.03

Inventories	2.42	3.16	2.62
Trade Receivables < Six Months	0.06	0.05	0.42
Cash and Cash Equivalents	1.79	0.49	0.75
Short-Term Loans and Advances	0.30	0.03	0.25
Other Current Assets	0.05	0.03	0.00
Total Assets	11.13	9.62	9.06

Accurate Polymers Pvt Ltd
Annexure II: Profit and Loss Account

Particulars (Rs. Crores)	FY13	FY14	FY15
	Audited	Audited	Audited
Gross Sales	12.66	16.66	25.16
Traded Goods Sales	0.55	0.00	0.06
Excise Duty/Sales Tax	1.39	1.83	2.77
Net Sales	11.82	14.83	22.45
Other Operating Income	0.13	0.10	0.09
Total Operating Income	11.95	14.93	22.54
Operating Expenses	11.21	13.88	20.64
OPBDIT	0.74	1.05	1.90
Depreciation/Amortization/Impairment	0.99	0.87	0.98
OPBIT	-0.25	0.18	0.92
Interest and Finance Charges	0.91	1.04	0.88
OPBT	-1.16	-0.86	0.04
Non Operating Income(Expenses)	0.05	-0.05	0.05
PBT	-1.11	-0.90	0.09
Provision for Taxes	0.09	-0.09	-0.13
PAT	-1.20	-0.81	0.22

Accurate Polymers Pvt Ltd
Annexure III: Ratios

Particulars		FY13	FY14	FY15
		Audited	Audited	Audited
Total Debt	Rs in crore	9.57	8.43	6.76
Tangible Net Worth	Rs in crore	-0.05	-0.85	-0.63
ISCR	Times	0.81	1.01	2.15
DSCR	Times	0.75	0.48	1.17
Net Cash Accruals/Total Debt	Times	-0.02	0.01	0.16
Net Profit Margin	Per cent	-10.01	-5.41	0.98
Operating Profit Margin	Per cent	6.21	7.03	8.42
ROCE	Per cent	-3.20	2.09	13.61
Current Ratio	Times	0.61	0.49	0.51
Days Receivables	Days	1	1	4
Days Inventory	Days	45	80	56
Days Payable	Days	7	22	23

Note: Ratios are based on BWR's calculation