Rating Rationale

Brickwork Ratings assigns 'BWR B' for the proposed Banking Facilities of ₹ 3 Cr of *Acron Plast Private Limited*

Brickwork Ratings has assigned the following **Rating**[1] to proposed Bank Loan Facilities amounting to ₹ 3 Cr of ***Acron Plast Private Limited***

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based Cash Credit	**3.00**	**Long Term**	**BWR B (Outlook Stable)**
Total	**3.00**	**(INR Three Crores only)**	

BWR has essentially relied upon the audited financial results of Acron Plast Private Limited Up to FY12, projections and information and clarifications provided by the firm.

The Rating has factored the vast experience of the promoters and established operations and the well established customer base of the company. However, the rating is constrained by the modest scale of operations of Acron Plast Private Limited, the financial risk profile marked by fluctuating profit margins, moderately high leverage, low networth of the company and that Acron is closely held family business.

Background:

The concern is a private limited company established in 15th Nov 1990. The concern registered office is located in MIDC, Ambad, Nashik. The nature of business is manufacturing of plastic container of various sizes ranging from 20ml /Gms to 500ml/Gms. The end markets for the company include Pharmaceutical industries, Cosmetic Companies. Future plans of the company include increasing the sales by improving new tools and automation. Also by introducing new series of Packaging products in open market.

Financial Performance:

As per audited financials for FY12, the firm reported an operating margin of 17.74 per cent and PAT margin of 3.79 per cent. The sales revenue decreased by 7 percent from ₹22.33 Crs

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

to ₹20.72 Crs on account of higher volume. The inventory turnover during FY12 was 6.70 times and thereby the inventory days were moderate at 54 days.

An increase of 12.42 Crs Y-o-Y profit (from FY11-12) is seen largely due to onetime non-operating income of 9.34 crores obtained due to the sale of one of the company's factories located in Rabake, Navi Mumbai.

Rating Outlook:
Increase in scale of operations with improvement in the liquidity position and other debt protection indicators are the key rating sensitivities. The performance of the firm is expected to be stable over the next year.

analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com