

MARCH 14, 2016

CARE REVISES THE LT RATING AND REAFFIRMS THE ST RATING ASSIGNED TO THE BANK FACILITIES OF RATTAN POLYCHEM PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	13 [enhanced from 11.75]	CARE BB (Double B)	Revised from CARE BB- (Double B Minus)
Long term/Short term Bank Facilities	5.00 [reduced from 8]	CARE BB/ CARE A4 (Double B/A Four)	Revised from CARE BB-/ Reaffirmed (Double B Minus)
Total Facilities	18 (Rupees Eighteen crore only)		

Rating Rationale

The revision in the long-term rating of the bank facilities of Rattan Polychem Private Limited (RPPL) factors in the growing scale of operations and infusion by the promoters to support the working capital requirements improving liquidity of the company.

The ratings, however, continue to remain constrained on account of low profitability margin, working capital intensive nature of operations and its exposure to raw materials price fluctuation risk.

The ratings, however, continue to draw comfort from the experience of the promoters, its satisfactory track record of operations, proximity to raw material sources along with favorable demand outlook.

Going forward, the ability of RPPL to increase its scale of operations while maintaining its profitability margins and effective management of working capital will be the key rating sensitivities.

Background

Faridabad-based (Haryana) RPPL incorporated in December 03, 2009, is promoted by Mr Yashvir Singh Dagar and Mrs Darshana Dagar. Since its inception, the company has been engaged in the manufacturing of Expandable polystyrene (EPS) of various grades ranging from RPCL 1218 to RPCL 9100. The manufacturing facility of the company is located at Faridabad, Haryana with an aggregate installed capacity of 3,900 metric ton per annum as on March 31, 2015. EPS is a major raw material for manufacturing of 'Thermo Cole' products which finds applications in thermal insulation of buildings, cold storage, industrial refrigeration and air conditioning. RPPL mainly imports raw material namely styrene and sells the EPS in domestic market through its own network. Furthermore, the company sells EPS to packing material and construction companies in Gujarat, Haryana, Uttarakhand, Uttar Pradesh, Delhi, Chennai and Rajasthan.

RPPL achieved a total operating income (TOI) of Rs.41.24 crore with PBILDT and profit after tax (PAT) of Rs.3.34 crore and Rs.0.40 crore, respectively, in FY15 (refers to the period April 01 to March 31) as against TOI of Rs.27.58 crore with PBILDT and PAT of Rs.2.72 crore and Rs.0.26 crore, respectively, in FY14. During 10MFY16 (unaudited), the company has achieved total operating income of Rs.65.00 crore.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Analyst Contact

Name: Mr Achin Nirwani

Tel: 011- 45333228

Cell : 09999566044

Email: achin.nirwani@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT**Head Office Mumbai****Mr. Sanjay Kumar Agarwal**

Mobile: + 91 8108007676

E-mail: sanjay.agarwal@careratings.com**Mr. Amod Khanorkar**

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com**BENGALURU****Mr. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@careratings.com**CHANDIGARH****Mr. Sajan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Saikat Roy**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 9820998779

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Rahul Patni**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com**CIN - L67190MH1993PLC071691**