

Press Release

Vibrant Polymers Llp

February 25, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 17.00 Cr.
Long Term Rating	SMERA B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) on the Rs. 17.00 crore bank facilities of Vibrant Polymers Llp. The outlook is '**Stable**'.

Vibrant Polymers LLP was established in 2014 to manufacture woven bags. The operations commenced from October, 2016.

Key Rating Drivers

Strengths

- **No offtake risk - Agreement with Wonder Cement**

The firm has an agreement with Wonder Cement Ltd. for supply of cement bags for five years (6 crore bags annually) and hence off take risk is minimal.

- **Proximity to raw material**

The firm is located at Chittogarh district, Rajasthan with proximity to raw material sources.

Weaknesses

- **Nascent stage of operations**

The rating factors in the nascent stage of operations

- **Intense competition**

The firm faces intense competition from various players which is likely to have an impact on its operating performance and profitability.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the firm.

Outlook: Stable

SMERA believes that the firm will maintain a stable outlook owing to the extensive experience of the promoters. The outlook may be revised to Positive in case the firm registers substantial growth in revenue and improves profitability. Conversely, the outlook may be revised to Negative in case of deterioration in the financial risk profile.

About the Rated Entity - Key Financials

Vibrant Polymers LLP was established in 2014. The Rajasthan-based partnership concern was promoted by Mr Vikas Kr. Jain, Mr. Vivek Kr. Jain and Mr. Vinay Jain. The operations commenced from October, 2016. The firm is engaged in the manufacturing of woven bags and has installed capacity of 6 crore annually. The firm procures raw material i.e. plastic granules from Reliance and IOCL.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	SMERA B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	15.00	SMERA B / Stable

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