

Press Release

Bagla Polifilms Limited (BPL)

January 17, 2019



Rating Update

| | |
|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs. 24.00 Cr. |
| Long Term Rating | ACUITE BB+ Issuer non-cooperating* |
| Short Term Rating | ACUITE A4+ Issuer non-cooperating* |

* Refer Annexure for details

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BB+**' (**read as ACUITE double B plus**) and short term of '**ACUITE A4+**' (**read as ACUITE A4 plus**) on the Rs. 24.00 crore bank facilities of Bagla Polifilms Limited (BPL). This rating is now an indicative rating and is based on best available information.

The Kolkata-based BPL (the erstwhile Rani Sati Enterprises Private Limited) is led by Mr. Madhusudan Bagla, Mr. Lalit Kumar Bagla, Mr. Dinesh Chandra Ray and Mrs. Pushpadevi Bagla since 2009. The company is engaged in the manufacture of heat shrinkable polyolefin display films used for wrapping of FMCG goods. The installed capacity stands at 3350 MTPA. The manufacturing facility is located at Haridwar.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

| | Unit | FY17(Actual) | FY16 (Actual) | FY15 (Actual) |
|-------------------------------|---------|--------------|---------------|---------------|
| Operating Income | Rs. Cr. | 48.39 | 43.01 | 40.89 |
| EBITDA | Rs. Cr. | 8.10 | 7.44 | 4.40 |
| PAT | Rs. Cr. | 1.69 | 0.87 | 0.29 |
| EBITDA Margin | (%) | 16.74 | 17.29 | 10.77 |
| PAT Margin | (%) | 3.49 | 2.02 | 0.70 |
| ROCE | (%) | 15.92 | 13.43 | 8.14 |
| Total Debt/Tangible Net Worth | Times | 1.17 | 1.55 | 2.40 |
| PBDIT/Interest | Times | 3.06 | 2.34 | 2.07 |
| Total Debt/PBDIT | Times | 2.01 | 2.56 | 2.56 |
| Gross Current Assets (Days) | Days | 124 | 127 | 119 |

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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------|---------------------------------|------------|-----------------|-----------------------------|
| 08-Dec-17 | Cash Credit | Long term | 9.00 | ACUITE BB+/Stable (Upgrade) |
| | Term Loan | Long term | 0.63 | ACUITE BB+/Stable (Upgrade) |
| | Term Loan | Long term | 8.37 | ACUITE BB+/Stable (Upgrade) |
| | Letter of Credit | Short Term | 5.00 | ACUITE A4+ (Reaffirmed) |
| | Bank Guarantee | Short Term | 1.00 | ACUITE A4+ (Reaffirmed) |
| 20-Oct-2016 | Cash Credit | Long term | 9.00 | ACUITE BB /Stable |
| | Term Loan | Long term | 0.63 | ACUITE BB /Stable |
| | Term Loan | Long term | 8.37 | ACUITE BB /Stable |
| | Letter of Credit | Short Term | 5.00 | ACUITE A4+ |
| | Bank Guarantee | Short Term | 1.00 | ACUITE A4+ |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 9.00 | ACUITE BB+ Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.63 | ACUITE BB+ Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 8.37 | ACUITE BB+ Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE A4+ Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE A4+ Issuer not co-operating* |

Contacts:

| Analytical | Rating Desk |
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| Pooja Ghosh Head- Corporate and Infrastructure Sector Tel: 033-66201203 pooja.ghosh@acuite.in Abhishek Dey Rating Analyst Tel: 033-66201208 abhishek.dey@acuiteratings.in | Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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