



March 3, 2010

ICRA assigns A4 rating to the bank facilities of P.P. Products Private Limited

ICRA has assigned an A4 (pronounced as A four) rating to the Rs. 400.0 million short term Non fund based bank limits of P. P. Products Private Limited (PPPPL)[†].

The rating is constrained by the low profit margins typical of the trading business, low cash accruals, intensive competitive pressure and significant loss suffered by the company in 2008-09, which led to a weakened capital structure. Moreover, PPPPL is exposed to the volatility in polymer prices and foreign exchange rate fluctuations arising on account of imports of traded goods. The rating however takes into account the long and proven track record of PPPPL's promoters in the Polymer trading business, the company's established relationships with its key customers and suppliers, and its moderate working capital intensity.

About the company

P. P. Products Private Limited (PPPPL) was incorporated in 1991 as a part of Shyam Group. PPPPL has been promoted by Mr Chandra Prakash Ramsisaria and Mr. Murli Manohar Saraf. The company is primarily involved in importing plastic granules and distribution of the same in the local market.

PPPPL reported a net loss of Rs. 11.31 million on net sales of Rs. 1136.87 million in 2008-09. The company reported net revenues of Rs. 511.33 million and net profit of Rs 19.49 million in the 6 months ended 31st September, 2009.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

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