

Vadera Tradelink Pvt. Ltd.

	Amount Outstanding	Rating Action
	Rs. crore	
Long term - fund based limits	12.00 (enhanced from 5.75)	[ICRA]B+; Reaffirmed
Long and Short term - non fund based limits	5.00 (Nil)	[ICRA]B+/A4; Assigned
Total	17.00 (enhanced from 5.75)	

ICRA has reaffirmed its long term rating of [ICRA]B+ (pronounced ICRA B plus) for the enhanced fund based bank limits of Rs. 12.00 crore and assigned a short term rating of [ICRA]B+/A4 for the non fund based bank limits of Rs. 5.00 crore of Vadera Tradelink Private Limited (VTPL)†.

ICRA ratings factor in the extensive experience of the promoters, of over three decades, in the construction and trading industry, and their established relationships with customers and suppliers. The ratings also favourably factor in the improved diversity in the company's revenue streams with its entry into the construction sector, as well as the healthy growth in its operating income in FY2016, supported by growth in all the segments. The company has successfully commissioned its cold storage facility at Barmer, Rajasthan in March 2016.

The ratings are however constrained by the low operating profitability in the trading business that contributed to around 70% of the company's revenues and its exposure to fluctuations in prices of agri-commodities, and intense competitive pressures. ICRA however notes that the company's revenues from the construction segment contributed to around 20% of its operating income, and have also supported its operating profit margins in FY2016. Nevertheless, the company's coverage indicators are modest with low interest coverage and elevated Total Debt/OPBDITA¹. Further, blockage of funds in working capital during FY2016 has resulted in negative cash flows.

Going forward, the ability of the company to improve its margins and increase its scale of operations, while maintaining comfortable liquidity will be the key rating sensitivities. Any large debt funded capital expenditure will also be a key monitorable.

Company Profile

VTPL was incorporated by Mr. Bhoor Chand Jain and family (Vadera Family) in 2008. The company commenced operations in 2011 in Barmer, Rajasthan. The company is currently engaged in diverse businesses including manufacturing of plastic packaging, PET² containers, HDPE pipe fittings and corrugated box manufacturing. The company is also engaged in the trading of food grains, plastic goods and building materials. The company also executes civil construction work for the State Government of Rajasthan.

Recent Results

In FY2015, VTPL reported an operating income (OI) of Rs. 60.91 crore and profit after tax (PAT) of Rs. 0.47 crore, as against an OI of Rs. 30.26 crore and PAT of Rs. 0.16 crore in the previous year.

On provisional basis, VTPL registered an OI of Rs.48.71 crore and PAT of Rs. 0.27 crore during nine months of FY2016.

July 2016

†For complete rating definitions, please refer to the ICRA website (www.icra.in) or any of the ICRA rating publications

1 OPBDITA-Operating Profit Before Depreciation, Interest, Tax And Amortisation

2 PET-Poly Ethylene Terephthalate



For further details, please contact:

Analyst Contacts:

Mr. Sabyasachi Majumdar (Tel. No. +91 124 4545304)

sabyasachi@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)

jayantac@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500