

Platinum Polymers Private Limited

Instrument	Amount (Rs. Crore)	Rating Action July 2016
Long-term, fund based: Cash Credit	4.00	[ICRA]B+ / Re-affirmed
Long-term, fund based: Term Loan	0.15 (reduced from 0.39)	[ICRA]B+ / Re-affirmed
Short-term, non-fund based	0.75	[ICRA]A4 / Re-affirmed
Unallocated Limits	0.24	[ICRA]B+ / Re-affirmed

ICRA has re-affirmed the long-term rating of [ICRA]B+ (pronounced ICRA B plus) for the Rs. 4.00 crore¹ cash credit limits, Rs. 0.15 crore (reduced from Rs. 0.39 crore) term loan facility and Rs. 0.24 crore unallocated limits of Platinum Polymers Private Limited (PPPL / the company)². ICRA has also re-affirmed the short-term rating of [ICRA]A4 (pronounced ICRA A four) for the Rs. 0.75 crore non-fund based limits of PPPL.

The re-affirmation of the ratings continues to take into account the established track record of the company's operations in the flexible packaging industry and the healthy growth in its revenues in FY 2016, aided by higher capacity utilization and healthy demand for its products.

The ratings are, however, constrained by PPPL's weak financial profile, characterized by declining operating profit margins, low net worth base and moderate debt coverage indicators. The ratings also take into account the company's modest scale of operations which limits the scale economies and financial flexibility; vulnerability of its profitability to fluctuations in prices of raw materials which are derivatives of crude oil; and the high competitive intensity of the flexible packaging industry that exerts pressure on margins.

Company Profile

Platinum Polymers Pvt. Ltd. (PPPL) was incorporated in 2007, and is engaged in manufacturing of flexible packaging material such as stretch cling film, laminated pouches and bags, air bubble film, and Bi-Axially Oriented Polypropylene (BOPP) woven fabric. The company is promoted by Mr. B.P. Poshia and Mr. Mitesh Poshia, who have over two decades of experience in the packaging industry. The company is also involved in the trading of machinery on a small scale. PPPL also manufactures pouches on a job-work basis for other packaging material manufacturers. The manufacturing facility of the company is located at Badlapur, near Mumbai.

The company reported a Profit After Tax (PAT) of Rs. 0.05 crore on an operating income of Rs. 17.11 crore in FY 2015. For FY 2016, the company has reported a PAT of Rs. 0.37 crore on an operating income of Rs. 26.57 crore (provisional).

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¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications.



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