



## Rating Rationale

Uflex Ltd.

21 Feb 2019

**Brickwork Ratings reaffirms ratings for the Proposed Non-Convertible Debentures/Bonds Issue of ₹. 650.00 Crs. of Uflex Ltd.**

### Particulars

Facility Rated	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous Rating Jan 2018	Rating Assigned
<b>Fund Based</b>					
<b>Proposed Secured NCD/Bond Issue</b>	<b>650.00</b>	<b>650.00</b>	<b>8 Years</b>	<b>BWR A+ (Pronounced BWR Single A Plus) (Outlook : Stable)</b>	<b>BWR A+ (Pronounced BWR Single A Plus) (Outlook : Stable) [Reaffirmation]</b>
<b>Total</b>	<b>650.00</b>	<b>650.00</b>	<b>Rupees Six Hundred and Fifty Crores Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rating Reaffirmed

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials up to FY18, projected financial statements, publicly available information and information/clarifications provided by the Company.

The rating has, *inter alia*, factored in the experienced & professional management, long track record of the company in the packaging industry, diversified product offering with widespread geographical reach, strong R&D in place, stable financial parameters and comfortable capitalization. The rating is, however, constrained by, highly competitive nature of the industry, lower than expected revenues from aseptic packaging materials recently added to the portfolio, and thin profitability margins.

Going forward, ability of the company to achieve projected revenues, improve profitability margins and ensure timely servicing of debt would be the key rating sensitivities.