

April 30, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	6.00*	SMERA B-/Stable (Assigned)
OCC	2.25**	SMERA B-/Stable (Assigned)

*Includes FLC/ILC (DA/DP) as a sublimit (single transaction) to the extent of Rs.4.00 crore

**Includes ODBD as a sublimit to the extent of Rs.1.00 crore

SMERA has assigned a rating of '**SMERA B-**' (read as **SMERA single B minus**) to the Rs.8.25 crore bank facilities of Excle Paper Packaging Private Limited (EPPPL). The outlook is '**Stable**'. The rating is constrained by the company's short track record of operations and weak financial risk profile. The rating is also constrained by the company's exposure to intense competition in the packaging industry. However, the rating draws comfort from the company's reputed clientele.

EPPPL, incorporated in 2011, is a Patna-based company engaged in manufacturing of corrugated boxes. EPPPL commenced commercial operations in FY2013-14.

EPPPL's weak financial risk profile reflected in high debt-equity ratio of 4.64 times as on March 31, 2014 and weak interest coverage ratio of 0.23 times in FY2013-14. The company reported net loss of Rs.1.96 crore in FY2013-14. EPPPL operates in a highly fragmented and competitive segment of the packaging industry.

The company caters to several reputed customers such as Britannia, Parle Agro and Anmol Biscuits.

Outlook: Stable

SMERA believes EPPPL will maintain a stable business risk profile over the medium term. The outlook may be revised to 'Positive' in case the company registers strong growth in revenues while generating healthy cash flows from operations. The outlook may be revised to 'Negative' in case the company fails to achieve the projected scalability amidst intensifying competition in its area of operation.

About the company

EPPPL, incorporated in 2011, is Patna-based company engaged in manufacturing of corrugated boxes. EPPPL started commercial operations in FY2013-14.

The overall operations of the company are managed by Mr. Gunjan Khemka, Mr. Navin K. Motani and Mr. Rahul Khemka.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

For FY2013-14, EPPPL reported net loss of Rs.1.96 crore on operating income of Rs.5.99 crore. The company's net worth stood at Rs.1.92 crore as on March 31, 2014, as compared with Rs.4.20 crore a year earlier.

Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
<p>Virendra Goyal Vice President, SME – Sales Tel: +91-22-6714 1177 Cell: +91 9930074009 Email: virendra.goyal@smera.in Web: www.smera.in</p>	<p>Vinay Chhawchharia Manager – Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@smera.in</p>	<p>Tel: +91-22-6714 1184 Email: ratingdesk@smera.in</p>

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.