

October 28, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	7.00	SMERA B/Stable (Assigned)
Term Loan	0.90	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B**' (**read as SMERA B**) to the above mentioned bank facilities of Shri Pariyur Amman Kraft Papers Private Limited (Pariyur Amman). The outlook is '**Stable**'. The rating is constrained by the company's modest scale of operations, working capital intensive nature of business and vulnerability of margins to raw material price fluctuations. However, the rating derives comfort from the extensive experience of the promoter in the paper manufacturing industry.

Outlook: Stable

SMERA believes that Pariyur Amman will continue to benefit from its experienced management in the paper industry. The outlook may be revised to 'Positive' if the company scales up its operations while maintaining profitability. Conversely, the outlook may be revised to 'Negative' in case of decline in cash accruals or liquidity position.

Rating Sensitivity Factors

- Scaling up of operations along with improvement in margins
- Improvement in working capital management

About the Company

Pariyur Amman incorporated in 2007, promoted by Mr. Shanmuga Perumal. The company commenced commercial operations in 2010 to manufacture kraft paper used in packaging industries and has an installed capacity of 80 tonnes per day.

For FY2013-14, the company reported profit after tax (PAT) of Rs.0.35 crore on operating income of Rs.22.14 crore as compared with PAT of Rs.0.05 crore on operating income of Rs.20.20 crore for FY2012-13. For FY2014-15, the company reported PAT of Rs.0.33 crore (provisional) on operating income of Rs.25.62 crore.

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.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91-98208 02479 Email: antony.jose@smera.in Web: www.smera.in	Mohit Jain Vice President – Operations Tel: +91-22-67141106 Email: mohit.jain@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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.