

**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.

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SMERA RATINGS LIMITED

Shri Pariyur Amman Kraft Papers Private Limited (Pariyur Amman)

*Rating
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