

**November 20, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	2.00	SMERA B-/Stable (Assigned)
Term Loan	5.60	SMERA B-/Stable (Assigned)
Letter of Credit	3.00	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B-**' (read as **SMERA B minus**) and **SMERA A4** (read as **SMERA A four**) on the Rs.10.60 crore bank facilities of Ransan Packaging Private Limited (RPPL). The outlook is '**Stable**'. The ratings are constrained by the company's limited operational track record and below-average financial risk profile marked by high gearing. The ratings also factor in the stretched liquidity position. However, the ratings draw comfort from the extensive experience of the management in the printing and packaging business.

**Outlook: Stable**

SMERA believes that the company will continue to benefit over the medium term from the promoter's extensive industry experience. The outlook may be revised to 'Positive' if the company improves its scale of operations and profitability leading to improvement in the financial risk profile, particularly capital structure. Conversely, the outlook may be revised to 'Negative' if the company registers decline in cash accruals or working capital leading to further deterioration in the capital structure.

**Rating Sensitivity Factors**

- Increase in scale of operations while achieving healthy profit margin
- Change in capital structure
- Deterioration in working capital resulting in a weak liquidity profile

**About the Company**

RPPL, incorporated in 2013, is a Chennai-based company engaged in the printing and packaging business. The company's operations are managed by Mr. Srenivasan and Mr. Prabhakaran, Directors with experience of over two decades in the printing and packaging business.

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SMERA RATINGS LIMITED

## Ransan Packaging Private Limited (RPPL)

*Rating  
Rationale*

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