

November 23, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan (Proposed)	12.00	SMERA B+/Stable (Assigned)
Cash Credit (Proposed)	3.00	SMERA B+/Stable (Assigned)

SMERA has assigned rating of '**SMERA B+**'(read as **SMERA B plus**) to the Rs. 15.00 crore long-term (fund based) bank facilities of Salims Paper Private Limited (SPPL). The outlook is '**Stable**'. The rating is constrained by the company's exposure to project-specific risks inherent in the ongoing tissue paper project coupled with competition from branded and regional players in paper industry. However, these rating weaknesses are partially offset by SPPL's promoter's extensive experience in paper industry.

Outlook: Stable

SMERA believes SPPL will maintain stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company implements the project according to the scheduled timeline and generate steady cash flow from operations to meet its debt repayment obligations. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution, or in case of deterioration in the company's financial risk profile or liquidity profile.

About the Company

SPPL, incorporated in 2011, is a Rajasthan based company promoted by Mr. Aminuddin Kagzi, Mr. Nizamuddin Kagzi, Mr. Kalimuddin Kagzi, and Mr. Riyazuddin Kagzi (collectively known as Kagzi Family) with the motto of setting-up tissue paper plant with installed capacity of 6000MT in Sikar, Rajasthan.

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