



Press Release

Rishi Packmak LLP

October 12, 2018

Rating Assigned

Total Bank Facilities Rated*	Rs. 8.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) to the Rs. 8.00 crore bank facilities of RISHI PACKMAK LLP (RPL). The outlook is '**Stable**'.

The Jaipur based, RPL is engaged in manufacturing of corrugated boxes from kraft paper procured from UP, MP, Punjab industries. The firm is managed by Mr. Naveen Jain, Mr. Mohit Khandelwal and Mr. Pulkit Agarwal. The installed capacity is 15000 tons per annum. The firm also does flexo printing on order basis.

Analytical Approach

Acuité has considered standalone business and financial risk profile of RPL to arrive at the rating.

Key Rating Drivers

Strengths

- **Experienced management and reputed customers**

Mr. Naveen Kumar Jain has experience of six years in manufacturing of corrugated boxes. The firm is caters to reputed customers such as Amazon, Bikaji Foods International Limited, shri Hari industries among others.

- **Average project gearing**

The firm has financed its project of Rs.5.68 crore by bank term loan of Rs.3.00 crore, promoter's fund of Rs.1.81 crore and interest free unsecured loan of Rs.0.87 crore. The gearing is expected to remain moderate over the medium term.

Weaknesses

- **Initial stage of operations**

RPL was established in 2017 and the commercial production started from May 2018. The operations are in initial stage and the company will have to demonstrate continuous demand and order for its product so as to generate cash flows corresponding with its debt obligation. The principal repayment will start from March 2019. The firm has booked turnover of ~Rs.3.70 crore till August 2018.

Outlook: Stable

Acuité believes that the outlook of the RPL will remain 'Stable' over the medium term on account of management's experience. The outlook will be revised to 'Positive' if the company is able to increase the scale of operations while maintaining healthy profitability. On the contrary, the outlook will be revised to 'Negative' in a scenario of decline in the revenues or deterioration in the financial profile.

About the Rated Entity - Key Financials

Not applicable as the company has started its commercial operations from May 2018.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B / Stable
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B / Stable

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About Acuité Ratings & Research:

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