

October 06, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	8.00	SMERA B+/Stable (Upgraded from SMERA B/Stable)
Letter of Credit	5.00	SMERA A4 (Reaffirmed)

SMERA has upgraded the rating of the above Rs.8.00 crore long-term (fund based) bank facility of Quick Sale (QS) to '**SMERA B+**' (read as **SMERA B plus**) from 'SMERA B' (read as SMERA B) and reaffirmed the rating of the Rs.5.00 crore short term (non-fund based) bank facility as '**SMERA A4**' (read as **SMERA A four**). The outlook is '**Stable**'. The rating upgrade reflects significant improvement in the firm's profit margins and sustainable business profile. The above mentioned ratings continue to draw comfort from the firm's experienced management. However, the ratings are constrained by the firm's small scale of operations, weak financial risk profile and competitive and fragmented segment of the paper industry. The ratings are also constrained by the susceptibility of the firm's profit margins to volatility in paper prices.

Update

The company reported profit after tax (PAT) of Rs.0.58 crore (provisional) on operating income of Rs.31.61 crore (provisional) in FY2014-15 as compared with PAT of Rs.0.39 crore on operating income of Rs.32.21 crore in the previous year.

Outlook: Stable

SMERA believes Quick Sale will continue to benefit from its experienced management and strong clientele. The outlook may be revised to 'Positive' in case of improvement in the company's scale of operations, while maintaining profitability and efficient working capital management. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the QS's financial profile.

Rating Sensitivity Factors

- Scale up operations
- Improve financial risk profile
- Better working capital management

About the Firm

Quick Sale, established in 1990, is a proprietorship concern promoted by Mr. Santosh V. Acharya. The firm is engaged in the trading of printing paper, Kraft paper and duplex boards, mainly used in printing and packaging.

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SMERA RATINGS LIMITED

Quick Sale (QS)

*Rating
Rationale*

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