

August 28, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	2.70	SMERA BB-/Stable (Reaffirmed)
Cash Credit	5.00	SMERA BB-/Stable (Reaffirmed)

SMERA has reaffirmed the long term rating of '**SMERA BB-**' (read as **SMERA double B minus**) on the Rs.7.70 crore fund-based bank facilities of Maurya Printers Private Limited (MPPL). The outlook is '**Stable**'. The rating draws support from the company's moderate financial risk profile and extensive experience of the promoters in the packaging industry. However, the rating is constrained by the working capital intensive nature of business, small scale of operations and intense market competition.

Update

MPPL reported operating income of Rs.22.80 crore in FY2013-14 (refers to financial year, April 01 to March 31), as compared with Rs.20.60 crore in FY2012-13. The company's net profit margins decreased to 1.00 per cent in FY2013-14 from 2.37 per cent in FY2012-13 due to increase in raw material cost. The gearing level (debt-to-equity) marginally deteriorated to 1.57 times as on March 31, 2014 from 1.41 times as on March 31, 2013 on account of increase in working capital facility from Rs.4.53 crore in FY2012-13 to Rs.7.08 crore in FY2013-14. However, the leverage (total outside liabilities to tangible networth ratio) improved from 2.73 times as on March 31, 2013 to 2.66 times as on March 31, 2014.

Outlook: Stable

SMERA believes MPPL will continue to benefit over the medium term from its experienced management and established relations with customers. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues while achieving sustained improvement in profitability and financial risk profile. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected revenues, profitability or net cash accruals or in case of stretch in the company's liquidity position. The outlook may also be adversely affected by deterioration in the company's financial risk profile on account of higher-than-envisioned debt-funded capex.

Rating Sensitivity Factors

- Management of working capital funds
- Improvement in profitability margins

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About the Company

MPPL is a Delhi-based company promoted by Mr. Raghav Ram Maurya. The company is engaged in the manufacturing of packaging and promotional items.

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