



Rating Rationale

Banganga Paper Mills

11 Aug 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.14.46 Crores of Banganga Paper Mills.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based (Cash Credit) (Term Loan)	2.00 8.00	5.00 9.46	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable
Total	10.00	14.46 Crores (Rupees Fourteen Crores and Forty Six Lakhs only.)			

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of FY17 and Projected financial up to FY20, publicly available information/clarification provided by the Firm's management.

The ratings have factored inter alia the improved capacity utilization of the unit having the average daily production capacity of over 60 MT. The ratings are however constrained by limited track record of the performance, Low capital structure and thin profitability margins. Further being a partnership concern, any significant withdrawals from the capital account by the partners adversely impact the capital structure of the firm hence this remains a rating sensitivity.

Rating Outlook: Stable

BWR believes the **Banganga Paper Mills**. Business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.



About the Company

Banganga Paper Mills was established on 17th October 2013 as a partnership firm by Mr. Chetan Dhattrak, Mrs. Jayashree Dhattrak and Mr. Dinesh Dhattrak. The firm has set up a Factory with a unit spread over an area more than 9500 sq.mts approx. at Ramshej near Nashik, Maharashtra. The main object of the firm is to carry on the business as manufacturers, importers, exporters, processors distributors, traders, converters and marketing all types of paper board and pulp products

Company Financial Performance

During the financial year 2017, the firm has achieved total operating income of Rs.14.71Crores and PAT of Rs.-1.00Cr. Operating Profit Margin and Net Profit Margin was 8.01% and -6.77%. Total Debt of the company was Rs.9.74Crores. Tangible net worth stood at Rs3.70Crores.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl No	Instrument/Facility	Current Rating (Year T)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	2.00	BWR B+	BWR B+	N.A	N.A
2	Term Loan	Long Term	8.00	BWR B+	BWR B+	N.A	N.A

*N.A – Not Applicable/ N.R – Not Reviewed

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria to be hyperlinks from website to be taken



Analytical Conatcts	Media
<u>Dinesh Mahabal</u> General Manager, Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.