

RATING RATIONALE

14 Oct 2019

Ajay Paper Mill

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 10.28 Crores of Ajay Paper Mill based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March, 2018)	Present
Fund based Cash Credit Term Loan	8.00 0.28	8.00 0.28	Long Term	Issuer did not Cooperate BWR BB- (BWR Double B Minus) (Outlook: Stable)	Issuer did not Cooperate BWR D (Pronounced as BWR D) Downgraded
Non Fund Based ILC/FLC	2.00	2.00	Short Term	Issuer did not Cooperate BWR A4 (BWR A Four)	Issuer did not Cooperate BWR D (Pronounced as BWR D) Downgraded
Total	10.28	10.28	1NR Ten Crores and Twenty Eight Lakhs		

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities/NCD/Bonds/Commercial Paper is provided in Annexure-I&II

NATURE OF NON-COOPERATION

The rating was due for a review, BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the firm has not provided the same. In the absence of adequate information from the firm BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating. BWR has received feedback from the banker that the account has been classified as Non Performing Asset (NPA). Hence, based on best available information and lender feedback



Brickwork Ratings has revised the rating to BWR D and migrated the rating to the ISSUER NOT COOPERATING* category.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2015	FY 2014
Result Type		Audited	Audited
Net Sales	In Crs	53.07	44.85
EBITDA	In Crs	3.00	2.60
PAT	In Crs	0.99	0.79
Tangible Net worth	Times	10.45	9.21
Total Debt to Tangible Net worth	Times	0.97	0.85
Current Ratio	Times	1.85	1.93

COMPANY PROFILE (As available in Jan, 2016)

Ajay Paper Mill was established as a partnership firm in 2008 and commenced its operation in 2010. The firm's manufacturing unit and registered office are located in Coimbatore, Tamil Nadu. The firm is into manufacturing of Industrial grade Kraft Paper (100 % recycled) called as Industrial Packaging or Paper board used for all types of packaging boxes, paper grocery bags or multi call sacks. The firm uses mainly recycled/waste paper boxes as raw material which are purchased from domestic markets or small vendors. Manufacturing process consists of stock inlet, wire part, de-watering process, drying process, size press coating, calendaring and reel process. The firm is managed by Mr. S. Palaniappan and his wife, Ms. P. L. Seetha Lakshmi holding 60% and 40% of shares in the firm.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - NA

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	March, 2018	April, 2017	Jan, 2016
Fundbased Cash Credit Term Loan	Long Term	8.00 0.28	Issuer did not Cooperate BWR D (Pronounced as BWR D) Downgraded	Issuer did not Cooperate BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable Downgraded	Not Rated	BWR BB (Pronounced as BWR Double B Minus) Outlook: Stable
ILC/FLC	Short Term	2.00	Issuer did not Cooperate BWR D (Pronounced as BWR D) Downgraded	Issuer did not Cooperate BWRA4 (Pronounced as BWR A Four) Reaffirmed	Not Rated	BWR A4 (Pronounced as BWR A Four)
Total		10.28	INR Ten Crores and Twenty Eight Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf



Hyperlink/Reference to applicable Criteria

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