



Rating Rationale

Ajay Paper Mill

6 Mar 2018

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 10.28 Crores of Ajay Paper Mill based on best available information, as the issuer did not cooperate. Accordingly the Long Term for the said instrument is downgraded to BWR BB- and Short Term Reaffirmed to BWR A4.

Particulars

Facility	Amount (₹ Cr)	Tenure	Rating*	
	Present		Previous (Jan 29, 2016)	Present
Fund Based Cash Credit Term Loan	8.00 0.28	Long Term	BWR BB Outlook:Stable	Issuer did not Cooperate; BWR BB- (BWR Double B Minus) (Outlook: Stable) (Downgraded)
Non-Fund Based ILC/FLC	2.00	Short Term	BWR A4	Issuer did not Cooperate; BWR A4 (BWR A Four) (Reaffirmed)
Total	10.28	INR Ten crores and Twenty Eight Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Issuer did not cooperate; based on best available information

Ratings: Downgraded

Nature of Non-cooperation:

The rating was due for a review in Jan 2017. BWR took up with the issuer to provide required information over emails dated 26.9.2017 & 26.02.2018 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating.

Limitations of the rating:

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



About the Company (Information as available in Jan, 2016)

Ajay Paper Mill was established as a partnership concern in 2008 and operations were started in 2010. The firm’s manufacturing unit and registered office is 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 is 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 the couple Mr. S. Palaniappan and Ms. P. L. Seetha Lakshmi holding 60% and 40 % of share in the firm.

History for the last three years (including withdrawn/suspended ratings)

Instrument /Facility	Current Rating (2018)			Rating History	
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating^	2017	Jan 29, 2016
Fund Based Cash Credit Term Loan	Long Term	8.00 0.28	Issuer did not Cooperate; BWR BB- (Outlook:Stable (Downgraded)	Not Rated	BWR BB Outlook:Stable
Non-Fund Based ILC/FLC	Short Term	2.00	Issuer did not Cooperate; BWR A4 (Reaffirmed)	Not Rated	BWR A4
Total		10.28	₹ Ten crores and Twenty Eight Lakhs Only		

^Issuer did not cooperate; based on best available information

Status of non cooperation with Previous CRA : Non Applicable

Any other information: Non Applicable

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Ajay Paper Mill
Annexure I

Particulars	Units	2015(A)	2014(A)
Net Receipts	₹ Cr	53.07	44.85
EBITDA	₹ Cr	2.37	1.92
PAT	₹ Cr	0.99	0.79
Tangible Net Worth	₹ Cr	10.45	9.21
Total Debt : TNW	Times	0.97	0.85
Current Ratio	Times	1.85	1.93

Note: As per information available with BWR

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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

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