



Rating Rationale

S S G Paper Mills LLP

3 March, 2017

Brickwork Ratings assign ratings for the Bank Loan Facilities of S.S.G. Paper Mills LLP.

Particulars

Facility Rated	Current Review Amount (Rs. Crs)	Tenure	Current rating
Fund Based Term Loan (o/s)	2.99	Long Term	BWR B+ (Pronounced as BWR Single B Plus) Outlook : Stable
Fund Based OCC	8.00		
Non Fund Based ILC/FLC	(5.00)	Short Term	BWR A4 (Pronounced as BWR A Four)
Total	Rs 10.99 Crores (INR Ten Crore and Ninety Nine Lakh Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The assigned rating derives comfort from the promoters having experience in the paper industry, with expected low gearing and moderate profit margins in FY17, which is the first year of operations. However, the rating is constrained by small scale of operations and elongated conversion cycle which is expected to improve in the 2nd year of operations.

Rating Outlook: Stable

BWR believes the *S S G Paper Mills LLP*'s 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

S.S.G. Paper Mills LLP is a Limited Liability Partnership firm established in September 2015 and commenced its operations in August 2016. Its office is located at Khusropur, district Patiala,



Punjab with its registered address is at Jhandewalan, New Delhi. It is engaged in the manufacture of paper and paper products used for writing and printing, packaging paper, cover paper, wedding paper, poster paper, soap wrapper paper, color poster and papers, etc. Mr. Avijit Kumar and Mr. Sanjeev Kumar are the partners of the firm having experience of 13 years and 20 years respectively in the same industry.

Company Financial Performance

Turnover of the firm is Rs 3.24 Cr and PAT is Rs 0.07 Cr in 6MFY17 and expected to achieve more than Rs 5.00 Cr in the first year of operations FY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

S.No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Term Loan(o/s)	Long Term	2.99	BWR B+ Outlook : Stable	NA	NA	NA
2.	OCC		8.00				
3.	ILC/FLC	Short Term	(5.00)	BWR A4			
			Rs 10.99 Cr (INR Ten Crore and Ninety Nine Lakh Only.)				

Status of non-cooperation with previous CRA (if applicable) - NA

Any other information - NIL

Hyperlink/Reference to applicable Criteria

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



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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 ₹ 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

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