

Rating Rationale

Standard Paper & Board India Private Limited

14 June 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.6.00 Cr of Standard Paper & Board India Private Limited

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating
Fund Based Cash Credit	6.00	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable
Total	6.00		(INR Six Crores 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 Up to FY16, Provisional of FY17 & Projections up to FY19 Standard Paper & Board India Private Limited, publicly available information and information/clarifications provided by the company.

The ratings reflect the industry experience of the promoters and competent management with established customer base. The ratings are, however, constrained by fragmented nature, intense competition in this sector and small profit margins.

The company's ability to improve its revenues and profit margins amid a volatile operating environment and manage its working capital cycle efficiently are the key rating sensitivities

Rating Outlook: Stable

BWR believes the **Standard Paper & Board India Private Limited** 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

Standard Paper & Board India Private Limited (SPBIPL) was established in 2010 and commenced operations in 2016; it is promoted by Mr. Yennarkay R Chiranjeevirathnam and his wife, Ms Vijayalakshmi. The company, based in Sivakasi, Tamil Nadu, is part of the Standard group and trades in printer and copier paper.

Company Financial Performance

Total Operating income in FY16 is ₹28.42, PAT in FY16 is ₹0.13Cr and Net-Worth Stood at ₹0.10 in FY 16

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Cash Credit	Long Term	6.00	BWR B+	NA	NA	NA

Hyperlink/Reference to applicable Criteria

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

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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

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.