



Rating Rationale

Vimala Paper Company Private Limited

5 Jan 2018

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.12.50 Crs of Vimala Paper Company Private Limited

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating
Fund Based Cash Credit	12.50	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable
Total	12.50		INR Twelve Crores and Fifty 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 Up to FY17, Sales details up to October 17 and Projections up to FY18 of Vimala Paper Company 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 **Vimala Paper Company 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

M/s Vimala Paper Company private limited company, established in the year 2010 by Mr. K Alagu at Madurai, Tamilnadu - Engaged in trading of Note book papers, Cards and paper boards

for match industries. Their main marketing areas are Sivakasi, Coimbatore and Tirupur. They also do printing of Text Books for Tamilnadu government apart from supply of note books. Vimala Paper Company initially started as a Partnership firm in 1978 and engaged in trading of paper, boards and notebooks.

Key Financial Indicators

Particulars	FY15 (Actuals)	FY16 (Actuals)	FY17 (Actuals)
Total Income (In Crs)	51.64	53.18	83.86
EBIDTA (In Crs)	1.85	1.60	0.99
PAT (In Crs)	0.12	0.20	0.22
Net worth (In Crs)	4.87	5.08	5.31
Total Debt / TNW (Times)	1.71	2.00	1.99
Current Ratio (Times)	1.24	1.17	1.22

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (2018)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2017	2016	2015
1.	Cash Credit	Long Term	12.50	BWR B+ Outlook Stable		NA	
	Total		12.50	Twelve Crores and Fifty Lakhs only			

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

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