

Rating Report

Brickwork Ratings on a review reaffirms ratings for Bank Loan facilities aggregating to ₹ 23.00 Cr of AAA Paper Marketing Ltd.

On a review, Brickwork ratings (BWR) has upgraded the following Long Term **Ratings**¹ and reaffirmed Short Term Rating for Bank loan facility aggregating to ₹ 23.00crs of AAA Paper marketing pvt Ltd (The Company), as under.

Facility	Limit (₹ Cr)	Tenure	Previous Ratings	Ratings on Review
Fund Based Cash credit	23.00	Long Term	BWR B- (Pronounced as BWR Single B Minus) Outlook: Stable	BWR B (Pronounced as BWR Single B) Outlook: Stable
Non Fund Based ILC/FLC *	(12.00)	Short Term	BWR A4 (Pronounced as BWR A Four)	BWR A4 (Pronounced as BWR A Four)
Total	23.00	INR Twenty Three Crores only		

*The Company has Inland Letter of Credit sub limit of Rs.12Crs

BWR has essentially relied upon audited financial results up to FY15, projected financials for FY16 & FY17, publicly available information and information provided by the management.

The rating is primarily constrained by above average financial risk marked by high leveraged capital structure with weak coverage ratios, working capital intensive nature of business leading to almost full utilization of facilities availed, thin margins due to trading nature of business. The rating is also constrained by intense competition and risk of foreign exchange rate fluctuations. The rating, however, factors Promoters extensive experience in the business, improved revenues from operations in FY 15 and meeting fund requirements by liquidating investments and resulting in increased focus on core business in FY 15.

Financials:

AAA Paper Marketing Pvt Ltd's net revenue from operations have improved from ₹ 111.19 Crs in FY14 to ₹ 148.08 Crs in FY15. In FY15, the Company reported an operating profit margin of 2.40%.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

The outlook is expected to be stable over the current year. Going forward the ability of the Company to sustain its revenue growth, manage its working capital efficiently, improve its financial risk profile and sustain liquidity position will be the key rating sensitivities.

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AAA Paper Marketing Ltd

Crores	FY 13 (Audited)	FY 14 (Audited)	FY 15 (Audited)
Gross Sales	86.53	111.19	148.08
Net Sales	86.53	111.19	148.08
Other Operating Income	0.06	0.00	0.00
Total Operating Income	86.59	111.19	148.08
Operating Expenses	84.97	108.42	144.53
OPBDIT	1.62	2.77	3.55
Depreciation/Amortization/Impairment	0.17	0.31	0.47
OPBIT	1.45	2.46	3.08
Interest and Finance Charges	1.76	1.55	2.44
OPBT	-0.31	0.91	0.64
Non Operating Income(Expenses)	0.72	-0.44	-0.28
PBT	0.41	0.47	0.37
Provision for Taxes	0.14	0.15	0.06
PAT	0.27	0.31	0.30

Annexure I: Summary of the Profit & Loss Statement

Annexure II: Summary of the Balance Sheet

Annexure III: Ratios

Ratios	FY 13 (Audited)	FY 14 (Audited)	FY 15 (Audited)
Tangible Net Worth	45.31	45.63	45.93
Tangible Net Worth (Analyzed)	48.60	49.65	50.44
Total Debt/TNW	0.37	0.53	0.70
Total Debt/TNW(Analyzed)	0.42	0.61	0.61
ISCR	0.92	1.79	1.46
DSCR	0.89	0.85	0.87
Net Cash Accruals/Total Debt	0.04	0.05	0.04
Net Profit Margin	0.31	0.28	0.20
Operating Profit Margin	1.87	2.49	2.40
ROCE	2.23	3.35	3.95
Current Ratio	1.24	1.29	1.90
Days Receivables	108	119	116
Days Inventory	0	0	0
Days Payable	4	3	8

Non Current Investments	37.51	29.49	25.62
Deferred Tax Assets (Net)	0.00	0.00	0.01
Long Term Loans and Advances	3.78	6.78	0.00
Current assets	52.99	63.90	55.69
Trade Receivables < Six Months	32.80	39.67	54.85
Cash and Cash Equivalents	2.25	2.51	0.54
Short-Term Loans and Advances	0.16	21.50	0.00
Other Current Assets	17.78	0.22	0.30
Total Assets	95.14	104.03	84.70

