

June 02, 2022

Aryan Paper Mills Pvt. Ltd.: Migration of the rating outstanding on the medium-term rating scale to the long-term rating scale

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fixed Deposit Programme	4.00	4.00	[ICRA]BBB+(Stable); Migrated from MA (Stable)
Fund-based Term Loans	30.59	30.59	[ICRA]BBB+(Stable) outstanding
Fund-based Cash Credit	12.00	12.00	[ICRA]BBB+(Stable) outstanding
Non-fund Based – Letter of Credit	4.00	4.00	[ICRA]A2 outstanding
Non-fund Based – Credit Exposure Limit	0.33	0.33	[ICRA]A2 outstanding
Total	50.92	50.92	

*Instrument details are provided in Annexure-1

Rationale

In compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43 of April 1, 2022, for standardizing the rating scales used by the Credit Rating Agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposits programme of Aryan Paper Mills Pvt. Ltd. (APMPL) from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another, and not as a reflection of a change in the credit risk of the fixed deposit programme.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of Aryan Paper Mills Pvt. Ltd.

About the company

Aryan Paper Mills Private Limited (APMPL) was incorporated in 1990 by Mr. Sunil K. Shah and his friends. The company's manufacturing facilities are in the Gujarat Industrial Development Corporation (GIDC) area of Vapi, Gujarat. APMPL manufactures kraft paper in varying grammage and burst factor (BF) specifications, which are used to produce corrugated boxes used for packaging. With modifications and expansions over the years, the installed capacity of the plant has gradually increased to 55,000 MTPA. The company also has a 5MW-power plant for captive consumption, which commenced operations from December 2016.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2022 (Rs. crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					June 02, 2022	Aug 26, 2021	Aug 31, 2020 Sep 15, 2020	Jul 30, 2019
1	Fixed Deposit Programme	Long Term	4.00	-	[ICRA]BBB+ (Stable)	MA (Stable)	MA- (Stable)	MA- (Stable)
2	Term Loans	Long Term	30.59	24.32	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3	Cash Credit	Long Term	12.00	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
4	Letter of Credit	Short Term	4.00	-	[ICRA]A2	[ICRA]A2	[ICRA]A3+	[ICRA]A3+
5	Credit Exposure Limit	Short Term	0.33	-	[ICRA]A2	[ICRA]A2	[ICRA]A3+	[ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fixed Deposit Programme	Very Simple
Term Loans	Simple
Cash Credit	Simple
Letter of Credit	Very Simple
Credit Exposure Limit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No/Banker Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fixed Deposit Programme	NA	NA	NA	4.00	[ICRA]BBB+ (Stable)
NA	Term Loans	FY2016	NA	FY2026	30.59	[ICRA]BBB+ (Stable)
NA	Cash Credit	NA	NA	NA	12.00	[ICRA]BBB+ (Stable)
NA	Letter of Credit	NA	NA	NA	4.00	[ICRA]A2
NA	Credit Exposure Limit	NA	NA	NA	0.33	[ICRA]A2

Source: Company

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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