

Kherani Paper Mills Private Limited

November 29, 2018

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based Limits – Cash Credit	12.00	12.00	[ICRA]BB+ (Stable); withdrawn
Term Loan	12.85	12.85	[ICRA]BB+ (Stable); withdrawn
Non Fund Based Limits- Letter of Credit	8.00	8.00	[ICRA]A4+; withdrawn
Total	32.85	32.85	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to the bank facilities of Kherani Paper Mills Private Limited have been withdrawn at the request of the company and based on the no objection certificate provided by the lender.

Key rating drivers: Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Kherani Paper Mills Private Limited was incorporated in the year 1988 for manufacturing of kraft paper. However, in 1992 the company was taken over by N.R. Agarwal Group. After the takeover, the plant of the company was converted for manufacturing of duplex board. With modifications and expansions, the installed capacity of the plant has been gradually increased from 3,600 TPA (Tonnes Per Annum) to 33,600 TPA over the years. Operations of KPMPL are currently being handled by Mr. G.N. Agarwal. The shareholding of the company is entirely owned by the promoters and other group companies. The operations of Group company, Gayatrishakti Paper & Boards Ltd (equity stake of ~ 32.7%), with 96,000 TPA manufacturing capacity for duplex boards and 108,000 TPA for kraft paper and kraft linear board is also being currently handled by Mr. G.N. Agarwal.

Key financial indicators

	FY2017 (A)	FY2018 (P)
Operating Income (Rs. crore)	97.9	107.2
PAT (Rs. crore)	0.9	1.1
OPBDIT/OI (%)	8.4%	9.1%
RoCE (%)	10.4%	9.6%
Total Debt/TNW (times)	2.1	4.6
Total Debt/OPBDIT (times)	4.2	8.2
Interest coverage (times)	1.9	1.6

(A): Audited; (P): Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)						Chronology of Rating History for the Past 3 Years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
				Nov 2018	June 2018	Jan 2017	Jan 2016	Dec 2014
1 Term Loans	Long Term	12.85	12.85	[ICRA]BB+ (Stable); withdrawn	[ICRA] BB+ (Stable)	[ICRA] BBB- (Stable)	[ICRA] BBB- (Stable)	[ICRA] BBB- (Stable)
2 Cash Credit	Long Term	12.00	NA	[ICRA]BB+ (Stable); withdrawn	[ICRA] BB+ (Stable)	[ICRA] BBB- (Stable)	[ICRA] BBB- (Stable)	[ICRA] BBB- (Stable)
3 Letter of Credit	Short Term	8.00	NA	[ICRA]A4+; withdrawn	[ICRA] A4+	[ICRA] A3	[ICRA] A3	[ICRA] A3

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	FY2016	-	FY2028	12.85	[ICRA]BB+ (Stable); withdrawn
NA	Cash Credit	-	-	-	12.00	[ICRA]BB+ (Stable); withdrawn
NA	Letter of Credit	-	-	-	8.00	[ICRA]A4+; withdrawn

Source: Kherani Paper Mills Private Limited

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