

## Hardoli Paper Mills Limited

March 15, 2019

### Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Term Loan	9.00	9.00	[ICRA]BB-(Stable); Withdrawn
Long-term Fund-based Cash Credit	6.00	6.00	[ICRA]BB-(Stable); Withdrawn
Short-term Non-fund-based Letter of Credit	1.00	1.00	[ICRA]A4; Withdrawn
<b>Total</b>	<b>16.00</b>	<b>16.00</b>	

\*Instrument details are provided in Annexure-1

### Rating action

ICRA has withdrawn the long-term rating of **[ICRA]BB-** (pronounced ICRA double B minus)<sup>1</sup> with a stable outlook and the short-term rating of **[ICRA]A4** (pronounced ICRA A four) assigned to the Rs. 16.00-crore<sup>2</sup> bank facilities of Hardoli Paper Mills Limited (HPML or the company).

### Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension, at the request of the company, and on the basis of the no objection for withdrawal received from its banker.

### Outlook: Not applicable

### Key rating drivers

Not Applicable

### Liquidity position

Not Applicable

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

### About the company

HPML was incorporated in 1992 and is involved in manufacturing different varieties of kraft paper with burst factor (BF) ranging from 16 to 24. Kraft paper is used for making corrugated boxes, liners, textile tubes, duplex cartons etc and the main consumption is in packaging. The company has its production facility located at village Hardoli, Nagpur with an

installed manufacturing capacity of 45,000 metric tonne per annum (MTPA). It is promoted by Mr. Anil Lakhotiya, who has two decades of experience in the paper industry.

### Key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	67.02	88.29
PAT (Rs. crore)	-0.42	2.70
OPBDIT/OI (%)	4.42%	8.55%
RoCE (%)	5.61%	23.72%
Total Debt/TNW (times)	1.94	1.28
Total Debt/OPBDIT (times)	5.54	1.89
Interest Coverage (times)	1.49	4.06

**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			
					Date & Rating				Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2017	Date & Rating in FY2016
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)		March 2019	January 2019	January 2019	May 2018		February 2017	July 2016	February 2016
1	Term Loan	Long Term	9.00	4.71*	[ICRA]BB-(Stable); Withdrawn	[ICRA]BB-(Stable); Removed from Issuer not cooperating category	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable)	-	[ICRA]B+(Stable)	[ICRA]B+	[ICRA]BB-(Stable)
2	Cash Credit	Long Term	6.00	-	[ICRA]BB-(Stable); Withdrawn	[ICRA]BB-(Stable); Removed from Issuer not cooperating category	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable)	-	[ICRA]B+(Stable)	[ICRA]B+	-
3	Letter of Credit	Short Term	1.00	-	[ICRA]A4; Withdrawn	[ICRA]A4; Removed from Issuer not cooperating category	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	-	[ICRA]A4	[ICRA]A4	[ICRA]A4

\*O/s as on March 31, 2018

### 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](http://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 Loan 1	FY2016	11.15%	FY2021	4.00	[ICRA]BB-(Stable); Withdrawn
NA	Term Loan 2	FY2016	11.15%	FY2021	1.50	[ICRA]BB-(Stable); Withdrawn
NA	Term Loan 3	FY2017	11.15%	FY2023	1.50	[ICRA]BB-(Stable); Withdrawn
NA	Term Loan 4	FY2017	11.15%	FY2023	2.00	[ICRA]BB-(Stable); Withdrawn
NA	Cash Credit	NA	NA	NA	6.00	[ICRA]BB-(Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	1.00	[ICRA]A4: Withdrawn

Source: HPML

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