

May 15, 2020

## Sezon Papers Private Limited: Rating Withdrawn

### Summary of rating action

| Instrument             | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                 |
|------------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Fund-based Term Loan   | 9.25                                 | 9.25                                | [ICRA]BB- (Stable); Withdrawn |
| Fund-based Cash Credit | 11.00                                | 11.00                               | [ICRA]BB- (Stable); Withdrawn |
| <b>Total</b>           | <b>20.25</b>                         | <b>20.25</b>                        |                               |

### Rationale

The long-term and short-term ratings assigned to Sezon Papers Private Limited (SPPL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

### Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

### Liquidity position

Not captured as the rating is being withdrawn.

### Rating sensitivities

Not captured as the rating is being withdrawn.

### Analytical approach:

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

### About the company:

Incorporated in November 2015 by Mr. Bharatkumar Bhut, Mr. Hardik Patel and four other directors, Sezon Papers Private Limited (SPPL) manufactures kraft paper. The manufacturing plant, located at Morbi in Gujarat, produces kraft paper of 16-28 BF (burst factor) with an annual capacity of 54,000 MTPA. SPPL commenced operations in January 2017 and its promoters have experience in the ceramic industry vide their association with sister concern namely Success Ceramic Private Limited.

In FY2018, the company reported a net profit of Rs. 0.23 crore on an operating income of Rs. 77.05 crore, compared to a net profit of Rs. 0.03 crore on an operating income of Rs. 10.87 crore in FY2017 (three months of operations). Further, it reported a profit before tax and depreciation of Rs. 2.81 crore on an operating income of Rs. 98.59 crore in FY2019.

## Status of non-cooperation with previous CRA: Not applicable

### Key financial indicators:

|  | FY2017 <sup>^</sup> | FY2018 |
|--|---------------------|--------|
| Operating Income (Rs. crore)                         | 10.78               | 77.05  |
| PAT (Rs. crore)                                      | 0.03                | 0.23   |
| OPBDITA/ OI (%)                                      | 6.57%               | 5.22%  |
| RoCE (%)   | -                   | 8.51%  |
| Total Outside Liabilities/Tangible Net Worth (times) | 4.28                | 5.23   |
| Total Debt/OPBDITA (times)                           | 7.27                | 5.32   |
| Interest Coverage                                    | 2.43                | 2.07   |
| DSCR (excl. STD)                                     | -                   | 1.56   |

Source: Company

<sup>^</sup>3 months of operations

### Any other information: None

### Rating history for last three years:

All figures in Rs. Crore

| Instrument    | Type         | Current Rating (FY2021) |                       | Current Rating<br>15-May-2020    | Rating History for the Past 3 Years |        |        |
|---------------|--------------|-------------------------|-----------------------|----------------------------------|-------------------------------------|--------|--------|
|               |              | Amount<br>Rated         | Amount<br>Outstanding |                                  | FY2020<br>23-May-2019               | FY2019 | FY2018 |
| 1 Term Loan   | Long<br>Term | 9.25                    | -                     | [ICRA]BB- (Stable);<br>Withdrawn | [ICRA]BB-<br>(Stable)               | -      | -      |
| 2 Cash Credit | Long<br>Term | 11.00                   | -                     | [ICRA]BB- (Stable);<br>Withdrawn | [ICRA]BB-<br>(Stable)               | -      | -      |

### 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       | FY2017                      | NA          | FY2024        | 9.25                     | [ICRA]BB- (Stable); Withdrawn |
| NA      | Cash Credit     | FY2017                      | NA          | NA            | 11.00                    | [ICRA]BB- (Stable); Withdrawn |

*Source: Sezon Papers Private Limited (SPPL)*

## ANALYST CONTACTS

**K. Ravichandran**

+91 44 4596 4301

[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Suprio Banerjee**

+91 22 6114 3443

[supriob@icraindia.com](mailto:supriob@icraindia.com)

**Mayank Agrawal**

+91 79 4027 1514

[mayank.agrawal@icraindia.com](mailto:mayank.agrawal@icraindia.com)

**Menka Sabnani**

+91 79 4027 1562

[menka.sabnani@icraindia.com](mailto:menka.sabnani@icraindia.com)

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

### Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

### About ICRA Limited:

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## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87  
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,  
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,  
Bangalore + (91 80) 2559 7401/4049  
Ahmedabad+ (91 79) 2658 4924/5049/2008  
Hyderabad + (91 40) 2373 5061/7251  
Pune + (91 20) 2556 0194/ 6606 9999

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