

June 22, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	11.00	SMERA B-/Stable (Assigned)
Cash Credit	4.00	SMERA B-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (**read as SMERA single B minus**) to the Rs.15.00 crore bank facilities of Indo Laminates Private Limited (ILPL). The outlook is '**Stable**'. The rating is constrained by the company's limited operational track record, exposure to raw material price volatility and the highly competitive and fragmented laminate manufacturing industry. However, the rating is supported by the company's experienced management.

ILPL, incorporated in 1985, is a Delhi-based company that manufactures laminates at its manufacturing unit in Bahadurgarh, Haryana. The company is promoted by Mr. Rahul Goyal and Mr. Subhash Goyal. Though incorporated in 1985, ILPL commenced commercial operations in October 2014 by setting up a laminate manufacturing unit at Bahadurgarh, Haryana at a total project cost of ~Rs.19.26 crore. Said project has been funded through term loan of Rs.11.00 crore and promoters' funds of Rs.8.26 crore. ILPL is also exposed to risks associated with raw material price volatility and intense market competition in laminate manufacturing business. The company's ability to generate adequate operating cash flows for timely servicing of its debt obligations remains a key rating sensitivity.

ILPL is poised to benefit from its experienced management. The promoters of the company have around three decades of experience in the wood industry.

Outlook: Stable

SMERA believes ILPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers healthy scalability while achieving comfortable profit margins and capital structure. The outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile.

About the Company

ILPL, incorporated in 1985, is a Delhi-based company promoted by Mr. Rahul Goyal and Mr. Subhash Goyal. The company manufactures paper-based plain and decorative laminates. ILPL has its manufacturing facility at Bahadurgarh, Haryana with an annual installed capacity of 15 lakh sheets. The company commenced commercial operations in October 2014.

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