



Press Release

Shri Hari Krishna Papers Private Limited

June 07, 2024

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	49.00	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	8.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	57.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.57.00 Cr. bank facilities of Shri Hari Krishna Papers Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Shri Hari Krishna Papers Private Limited (SHKP), incorporated in 1981, is a Tamil Nadu-based company promoted by Mr. M. Veluswamy, Mr. V. Vivek, Mr. M. Amarnath and others. The company commenced operations in 1991 to manufacture printing and writing paper, newsprint paper and MG Paper. The company has three manufacturing units located at Dindigul (Tamil Nadu) with an installed capacity of 41,500 metric tonnes per annum (MTPA). The company has expanded its capacity by another 41,500 MTPA in the year 2019. However, currently, the operational capacity stands at 70,600 MTPA.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	510.85	299.87
PAT	Rs. Cr.	37.63	6.34
PAT Margin	(%)	7.37	2.11
Total Debt/Tangible Net Worth	Times	0.30	0.31
PBDIT/Interest	Times	14.53	4.19

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Mar 2023	Cash Credit	Long Term	24.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	Proposed Long Term Bank Facility	Long Term	10.25	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	14.75	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
18 May 2022	Cash Credit	Long Term	24.00	ACUITE BBB+ Stable (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	10.25	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	14.75	ACUITE BBB+ Stable (Reaffirmed)
22 Feb 2021	Cash Credit	Long Term	24.00	ACUITE BBB+ Stable (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	9.63	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	15.37	ACUITE BBB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	24.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Karur Vysya Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.25	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	14.75	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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