

Press Release

Hind Filters Limited

July 04, 2019

Rating Withdrawn



| | |
|-------------------------------------|---------------------------|
| Total Bank Facilities Rated* | Rs. 5.00 Cr. |
| Long Term Rating | ACUITE BBB (Withdrawn) |
| Short Term Rating | ACUITE A3+ (Withdrawn) |

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and short term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 5.00 crore bank facilities of Hind Filters Limited (HFL).

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Hind Filters Limited (HFL) incorporated in 1973 is engaged in the manufacturing of Acetate cigarette filter rods (in regular, slim and ultra slim sizes) and flavored filter rods (Menthol, Vanilla, Strawberry, Raspberry, Lemon, Sourplum, Pear and Apple etc.), Dual Charcoal & Recessed Dual Filter Rods of regular sizes for all major brands of Cigarettes in India. The company is ISO 9001/2015 and ISO 14001/2015 certified by Bureau Veritas Certification, U.K. The installed capacity of the company is 4850 million rods.

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of HFL to arrive at the rating.

About the Rated Entity - Key Financials

| | Unit | FY18 (Actual) | FY17 (Actual) | FY16 (Actual) |
|-------------------------------|---------|---------------|---------------|---------------|
| Operating Income | Rs. Cr. | 39.12 | 45.08 | 47.00 |
| EBITDA | Rs. Cr. | 3.51 | 3.09 | 1.33 |
| PAT | Rs. Cr. | 8.95 | 6.05 | 3.65 |
| EBITDA Margin | (%) | 8.98 | 6.85 | 2.82 |
| PAT Margin | (%) | 22.88 | 13.41 | 7.76 |
| ROCE | (%) | 16.48 | 12.91 | 7.75 |
| Total Debt/Tangible Net Worth | Times | 0.01 | 0.01 | 0.00 |
| PBDIT/Interest | Times | 69.76 | 86.89 | 50.82 |
| Total Debt/PBDIT | Times | 0.08 | 0.08 | 0.03 |
| Gross Current Assets (Days) | Days | 59 | 71 | 118 |

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|-------------------------------|
| 17-May-2018 | Cash Credit | Long Term | 3.40 | ACUITE BBB/ Stable (Assigned) |
| | Bank guarantee | Short Term | 1.60 | ACUITE A3+ (Assigned) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 3.40 | ACUITE BBB (Withdrawn) |
| Bank guarantee | Not Applicable | Not Applicable | Not Applicable | 1.60 | ACUITE A3+ (Withdrawn) |

Contacts

| Analytical | Rating Desk |
|---|---|
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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