

Shree Karthik Papers Limited

March 09, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	0.00	--	Withdrawn
Total Facilities	0.00		

*Details in Annexure I.

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE BB; Stable; (Double B; Outlook: Stable)' assigned to the bank facilities of Shree Karthik Papers Limited with immediate effect. The above action has been taken at the request of the company and 'No Dues Certificate' received from the lender that has extended the facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the firm –

Shree Karthik Papers Limited (SKPL), based at Coimbatore, is a public limited company promoted by Mr. M. S. Velu in 1994. SKPL is engaged in manufacturing of writing and printing papers (W&P papers) from waste papers. The manufacturing facility of SKPL is situated in Pollachi, Tamil Nadu and its present installed capacity is 16,000 MT per annum.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	57.24	62.59
PBILDT	5.81	(9.55)
PAT	3.69	(12.34)
Overall gearing (times)	1.93	8.53
Interest coverage (times)	5.48	(7.12)

A: Audited;

Status of non-cooperation with previous CRA: Nil

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit				0.00	Withdrawn
Fund-based - LT-Term Loan				0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) in assigned in 2018-2019	Date(s) & Rating(s) in assigned in 2017-2018	Date(s) & Rating(s) in assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BB; Stable (07-Jun-19)	1)CARE BB+; Stable (27-Nov-18) 2)CARE BB; Stable (14-Aug-18)	1)CARE BB+; Stable (25-Sep-17)	1)CARE BB (06-Jul-16)
2.	Fund-based - LT-Term Loan	LT	-	-	1)CARE BB; Stable (07-Jun-19)	1)CARE BB+; Stable (27-Nov-18) 2)CARE BB; Stable (14-Aug-18)	1)CARE BB+; Stable (25-Sep-17)	1)CARE BB (06-Jul-16)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over nearly two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporate to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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