

October 20, 2010

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES AND  
NCD ISSUES OF ORIENT PAPER & INDUSTRIES LTD.**

***Ratings***

Particulars	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long term Bank Facilities	80.90	'CARE AA-' (Double A minus)	Reaffirmed
Short term Bank Facilities	1.25	'PR1+' (PR One plus)	Assigned
Long/Short term Bank Facilities	123.40	'CARE AA-' / 'PR1+' (Double A minus/ PR One plus)	Reaffirmed
<b>Total</b>	<b>205.55</b> (enhanced from 204.3)		
NCD	100.00	'CARE AA-' (Double A minus)	Reaffirmed

**Rating Rationale**

The ratings continue to draw strength from the long experience of the promoters & managerial team, well diversified product portfolio catering to various industry segments, operational efficiency due to backward integration for cement & paper, strong brands for all its products, leadership position in fan exports, satisfactory profitability and comfortable financial position. The ratings are however constrained by the challenging operating environment for the domestic cement industry emanating from the planned capacity expansions and rising input costs, losses arising out of shutting down of paper unit due to water scarcity and risk associated with the implementation of ongoing project. Successful commissioning of the ongoing projects, regular operation of paper unit and ability to sustain profitability and capacity utilisation in the wake of planned capacity expansions in the industry as a whole and rising input costs are the key rating sensitivities.

**Company Profile**

Orient Paper & Industries Ltd (OPIL), incorporated in July, 1936, is a diversified company, manufacturing cement, paper and electrical items at five locations across the country. It belongs to G.P. - C.K. Birla group. Its major product is cement and the company has well established brands for all its products.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

In FY10, OPIL earned a PBILDT and PAT (after deferred taxation) of Rs.316.3 crore and Rs.167.7 crore on net sales of Rs.1518.2 crore.

During Q1FY11, OPIL earned a PAT (after defd. tax) of Rs.34.2 crore on net sales of Rs.441.6 crore.

**Analyst Contact**

Name: Priti Agarwal / Ishan Marda

Tel # 033 22808472/22831800/22896150

Mobile #9831967110/9831984640

Email: [priti.agarwal@careratings.com](mailto:priti.agarwal@careratings.com) / [ishan.marda@careratings.com](mailto:ishan.marda@careratings.com)

***CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : [dr.dogra@careratings.com](mailto:dr.dogra@careratings.com)

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: [rajesh.mokashi@careratings.com](mailto:rajesh.mokashi@careratings.com)

**Mr. P N Sathees Kumar**

Executive Vice President – Marketing

Mobile: +91-9820416004

mail:[sathees.kumar@careratings.com](mailto:sathees.kumar@careratings.com)

**Mr. Ankur Sachdeva**

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: [ankur.sachdeva@careratings.com](mailto:ankur.sachdeva@careratings.com)

**Mr. Vivek Palan**

Manager – Banking & Finance

Mobile: +91-98206 06406

E-mail:[vivek.palan@careratings.com](mailto:vivek.palan@careratings.com)

4 Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: [www.careratings.com](http://www.careratings.com)

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: <a href="mailto:mehul.pandya@careratings.com">mehul.pandya@careratings.com</a></p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: <a href="mailto:sundara.vathanan@careratings.com">sundara.vathanan@careratings.com</a></p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail : <a href="mailto:Pradeep.kumar@careratings.com">Pradeep.kumar@careratings.com</a></p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b> Tel – 040 40102030 Mobile – 91766 47599 E-mail: <a href="mailto:ashwini.jani@careratings.com">ashwini.jani@careratings.com</a></p>
<p>Mr. Sukanta Nag Regional Manager 3 Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: <a href="mailto:sukanta.nag@careratings.com">sukanta.nag@careratings.com</a></p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : <a href="mailto:swati.agrawal@careratings.com">swati.agrawal@careratings.com</a></p>