



Press Release

D.K. Tissues and Papers Private Limited

December 06, 2022

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	54.85	IVR D	Assigned	Simple
Total	54.85	Rupees Fifty-Four Crore & Eighty-Five Lakhs only		

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics Valuations and Ratings Private Limited (IVR) has assigned long-term rating of IVR D for the bank loan facilities of **D.K. Tissues and Papers Private Limited** due to delaying in the term loan repayment of its obligations in bank loan facilities.

Key Rating Sensitivities:

Upward Factors

- Continuous timely servicing of debt obligations for at least 90 days.

Downward Factors

List of Key Rating Drivers with Detailed Description

Key Rating Weaknesses

- **Delay in servicing of debt obligations**

The company has been delaying in the term loan repayment of its obligations in bank loan facilities.

Analytical Approach: Standalone

Applicable Criteria:



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[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria on Default Recognition and Post-default curing period](#)

Liquidity – Poor

As per the bank statements, the company has defaulted in repayment of term loans in past 12 months. There is a delay in repayment by 2-3 days every month. Project is not generating enough cash flows to service its interest and installment however party is depositing the funds from other sources.

About the Company

DK Tissues and Papers Pvt Ltd (Formerly Vyudha Technologies Private Limited) is paper manufacturing company. The manufacturing unit is situated at Village Bir Palasi, Nalagarh Ropar Road, Solan, H.P with three lines of production comprising writing printing paper, tissue Paper and Kraft Paper with an installed capacity of the plant at 52500 TPAs based on 350 working days per annum on triple shift basis.

Financials (Standalone):

	(Rs. Crore)	
For the year ended*	31-03-2021	31-03-2022
	Audited	Audited
Total Income	16.05	62.74
EBITDA	-1.35	5.40
PAT	-1.30	-2.61
Total Debt	60.56	66.18
Tangible Net worth	15.77	12.24
EBITDA Margin (%)	-8.41	8.60
PAT Margin (%)	-5.91	-4.15
Overall Gearing Ratio (x)	3.84	5.41

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil.

Any other information: Nil

Rating History for last three years:



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Sr. No.	Type of Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating (06 December 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Long Term Bank Facilities	Long Term	54.85	IVR D	-	-	-

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the Company at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities	-	-	-	54.85	IVR D

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-DKTPPL-dec22.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [Complexity Level of Rated Instruments/Facilities](#).