



Press Release

Paswara Papers Limited February 29, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	215.25	IVR D [IVR D; Issuer Not Cooperating*]	IVR BB+/Negative; ISSUER NOT COOPERATING* [IVR Double B Plus with Negative Outlook; Issuer Not Cooperating*]	Downgraded	Simple
Long Term/ Short Term Bank Facilities	24.75	IVR D [IVR D; Issuer Not Cooperating*]	IVR BB+/Negative/ IVR A4+; ISSUER NOT COOPERATING* [IVR Double B Plus with Negative Outlook/ IVR A Four Plus; Issuer Not Cooperating*]	Downgraded	Simple
Total	240.00 (Rupees Two hundred and forty crores only)				

**Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has downgraded the long-term to IVR D; Issuer not Cooperating and long term and short-term ratings to IVR D; Issuer not Cooperating for the bank facilities of Paswara Papers Limited (PPL).

The downgrade of ratings takes into account the ongoing delays in servicing of debt obligations as confirmed by the banker. The delays are majorly due to irregularity in repayments of term loans.



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Key Rating Sensitivities:

Upward Factors

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

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

[Default recognition Policy](#)

About the Company

Paswara Papers Limited was incorporated in 1980 with its registered office at Paswara House, Baghpat Road, Meerut. The company is engaged in manufacture of Kraft Paper and is in existence for more than three decades. The company's present capacity is 1,25,000 MT for Multi-Layer Kraft Paper and 40,000 MT for M.G Kraft Paper & Kraft Board. Mr. Arvind Kumar, Mr. Vinod Kumar and Mr. Kapil Kumar are the key promoter in charge of the company.

Financials (Standalone):

For the Year ended*/ As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	411.61	622.29
EBIDTA	53.77	58.00
PAT	7.95	17.51
Total Debt	240.89	241.53
Tangible Net Worth	118.74	137.44
Ratios	13.06	9.32
EBITDA Margin (%)	1.93	2.81
PAT Margin (%)	2.19	1.90
Overall Gearing Ratio (x)	2.35	3.38



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Status of non-cooperation with other CRA:

- Brickwork has classified the rating of Paswara Papers Limited under the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated December 13, 2023.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023 (08 th November, 2023)	Date(s) & Rating(s) assigned in 2022-2023 (06 th October, 2022)	Date(s) & Rating(s) assigned in 2021-2022
1.	Long Term Fund based facilities	Long Term	215.25	IVR D; ISSUER NOT COOPERATING*	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB/ Stable	-
2.	Long Term/ Short Term	Long Term / Short Term	24.75	IVR D; ISSUER NOT COOPERATING*	IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING*	IVR BBB/ Stable/ IVR A3+	-

**Issuer did not cooperate; based on best available information.*

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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 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 firm 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
Cash Credit- I [#]	-	-	-	24.75*	IVR D; INC*
Cash Credit- II	-	-	-	65.25	IVR D; INC*
Cash Credit- III	-	-	-	30.00	IVR D; INC*
Proposed Cash Credit	-	-	-	13.99	IVR D; INC*
Term Loan- I	-	-	FY25	18.35	IVR D; INC*
Term Loan- II	-	-	FY28	33.51	IVR D; INC*
Term Loan- III	-	-	FY28	10.22	IVR D; INC*
Term Loan- IV	-	-	FY28	7.30	IVR D; INC*
Term Loan- V	-	-	FY24	17.51	IVR D; INC*
Term Loan- VI	-	-	FY25	11.06	IVR D; INC*
Term Loan- VII	-	-	FY28	8.06	IVR D; INC*

* Issuer did not cooperate; based on best available information

EPC of Rs.15.00 crores is sublimit of CC

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

Annexure 3: Facility wise lender details.



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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 www.infomerics.com.