



## Press Release

### Paswara Papers Limited

**November 08, 2023**

#### **Ratings:**

<b>Facilities/ Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings*</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Long Term Bank Facilities	215.25	IVR BB+/Negative; ISSUER NOT COOPERATING* [IVR Double B Plus with Negative Outlook; Issuer Not Cooperating*]	Revised and moved in Issuer not cooperating category	Simple
Long Term/ Short Term Bank Facilities	24.75	IVR BB+/Negative/ IVR A4+; ISSUER NOT COOPERATING* [IVR Double B Plus with Negative Outlook/ IVR A Four Plus; Issuer Not Cooperating*]	Revised and moved in Issuer not cooperating category	Simple
<b>Total</b>	<b>240.00 (Rupees Two hundred and forty crores only)</b>			

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

#### **Details of Facilities are in Annexure 1**

#### **Detailed Rationale**

The aforesaid rating revision to the bank facilities of Paswara Papers Limited reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company, despite the downgrade.



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### **Non-Cooperation by Issuer:**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated October 11, October 13, October 18, October 19, October 27 October 30, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details/information for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the bank loan facilities of Paswara Papers Limited aggregating to Rs 240.00 crore under the 'ISSUER NOT COOPERATING' category. The long-term rating is now denoted as IVR BB+/Negative; ISSUER NOT COOPERATING\* (IVR Double B Plus with negative outlook; ISSUER NOT COOPERATING\*), and the long- term/ short- term rating is now denoted as IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING\* (IVR Double B Plus with negative outlook /IVR A Four Plus; ISSUER NOT COOPERATING\*)

*\*Issuer Not Co-operating; based on best available information*

**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](#)



## Press Release

### **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):**

<b>For the Year ended*/ As on</b>	<b>31-03-2021</b>	<b>31-03-2022</b>
	<b>Audited</b>	<b>Audited</b>
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:

- Crisil 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 January 30, 2023.
- 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 September 27, 2022.

**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 (06 <sup>th</sup> October, 2022)	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021
1.	Long Term Fund based facilities	Long Term	215.25	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB/ Stable	-	-
2.	Long Term/ Short Term	Long Term / Short Term	24.75	IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING*	IVR BBB/ Stable/ IVR A3+	-	-

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



## Press Release

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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 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](http://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 <sup>#</sup>	-	-	-	24.75*	IVR BB+/Negative;/ IVR A4+; INC*
Cash Credit- II	-	-	-	65.25	IVR BB+/Negative; INC*
Cash Credit- III	-	-	-	30.00	IVR BB+/Negative; INC*
Proposed Cash Credit	-	-	-	13.99	IVR BB+/Negative; INC*
Term Loan- I	-	-	FY25	18.35	IVR BB+/Negative; INC*
Term Loan- II	-	-	FY28	33.51	IVR BB+/Negative; INC*
Term Loan- III	-	-	FY28	10.22	IVR BB+/Negative; INC*
Term Loan- IV	-	-	FY28	7.30	IVR BB+/Negative; INC*
Term Loan- V	-	-	FY24	17.51	IVR BB+/Negative; INC*
Term Loan- VI	-	-	FY25	11.06	IVR BB+/Negative; INC*
Term Loan- VII	-	-	FY28	8.06	IVR BB+/Negative; 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](http://www.infomerics.com).