

September 17, 2024

Indian Pulp & Paper Private Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	15.93	15.93	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	24.47	24.47	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Unallocated	13.60	13.60	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	54.00	54.00	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term rating of Indian Pulp & Paper Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Indian Pulp & Paper Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

The company was incorporated in 2004 by the Kolkata-based Agarwal family in the name of Balaji Kagaz Private Limited. In 2006, it acquired Indian Paper Pulp Company Limited (IPPCL) from the Government of West Bengal and subsequently its name was changed to Indian Pulp & Paper Private Limited (IPPL). IPPL, at present, manufactures kraft paper (with 16-30 burst factor)

by recycling of waste paper. Its manufacturing facility is in Naihati, West Bengal with a capacity of 45,000 metric tons (MT) per annum.

Key financial indicators:

Standalone	FY 2020	FY 2021
Operating Income (Rs. crore)	63.24	58.79
PAT (Rs. crore)	-8.86	-13.81
OPBDITA/OI (%)	5.6%	-4.9%
PAT/OI (%)	-14.0%	-23.5%
Total Outside Liabilities/Tangible Net Worth (times)	-2.44	-1.98
Total Debt/OPBDITA (times)	23.30	-32.18
Interest Coverage (times)	0.43	-0.38

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
India Ratings	[IND] D; ISSUER NOT COOPERATING	May 15, 2024

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2021
				17-Sep-2024	28-Jul-2023	30-Jun-2022	22-Mar-2021
1	Cash Credit	Long Term	15.93	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
2	Term Loan	Long Term	24.47	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
3	Unallocated	Long Term	13.60	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	15.93	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	24.47	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	13.60	[ICRA]D; ISSUER NOT COOPERATING

Source Indian Pulp & Paper Private Limited

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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