

September 27, 2021

Eco Tech Papers: Ratings Moved to Issuer Not Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based – Cash Credit facility	15.00	15.00	[ICRA]BBB+ (Stable), ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Non-fund based – Letter of credits	5.00	5.00	[ICRA]A2+, ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Fund based/Non-fund based – Credit Exposure Limits/Derivative	0.10	0.10	[ICRA]A2+, ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Total	20.10	20.10	

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

[^]Instrument details are provided in Annexure-1

Rationale

The ratings have been moved to 'Issuer Not Cooperating' category due to the lack of adequate information regarding Eco Tech Papers ('ETP' or 'The Company') performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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 entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with ETP, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. ICRA has also been sending repeated reminders to the entity for payment of surveillance fee that became due. However, despite multiple requests by ICRA, the entity's management has remained non-cooperative on information as well as fees. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [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	Corporate Credit Rating Methodology Policy in respect of non-cooperation by a rated entity
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Eco Tech Papers (ETP), a partnership firm, was established in 2014 at Kamalpur in Guwahati, Assam. It is co-promoted by the Lohia Group, which has an established presence in North East India, and Mr. Pradeep Jain. ETP manufactures multilayered kraft paper with an installed capacity of 48,840 tonnes per annum. The firm supplies kraft paper to the manufacturers of corrugated boxes. It manufactures various qualities of kraft paper ranging from 100 to 150 gram per square metre (GSM) and 16 to 28 burst factor (BF). ETP is in the process of increasing its manufacturing capacity significantly by around 90% in the current fiscal.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2021 (Rs. crore)	Date & Rating in September 27, 2021	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
1	Cash Credit	Long-term	15.00	--	[ICRA]BBB+ (Stable), ISSUER NOT COOPERATING*	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-
2	Letter of Credit	Short-term	5.00	--	[ICRA]A2+, ISSUER NOT COOPERATING*	[ICRA]A2+	[ICRA]A2+	-
3	Credit Exposure Limit/ Derivative	Short-term	0.10	--	[ICRA]A2+, ISSUER NOT COOPERATING*	[ICRA]A2+	[ICRA]A2+	-

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

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund based – Cash Credit facility	Simple
Non-fund based – Letter of credits	Very Simple
Fund based/Non-fund based – Credit Exposure Limits/Derivative	Very Simple

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: www.icra.in

Annexure-1: 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	NA	NA	NA	15.00	[ICRA]BBB+ (Stable), ISSUER NOT COOPERATING*
NA	Letter of Credit	NA	NA	NA	5.00	[ICRA]A2+, ISSUER NOT COOPERATING*
NA	Credit Exposure Limit/ Derivative	NA	NA	NA	0.10	[ICRA]A2+, ISSUER NOT COOPERATING*

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

Source: Company

Annexure-2: 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.

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