March 18, 2020

Ganga Papers India Limited: Continues to remain under Non-Cooperating category, Long Term Rating downgraded based on best available information

Summary of rated instruments:

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	6.00	6.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable) and continues to remain under the 'Issuer Not Cooperating' category
Long Term/ Short Term – Fund Based	8.00	8.00	[ICRA]B+(Stable)/A4 ISSUER NOT COOPERATING*; Long Term Rating downgraded from [ICRA]BB-(Stable) and continues to remain under 'issuer not cooperating category'
Total	**14.00**	**14.00**	

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

Rationale

The Long-Term rating downgraded because of lack of adequate information Ganga Papers India Limited's 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 the rated entity". 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 Ganga Papers India Limited, 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. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: Click here

About the company:

Ganga Papers India Limited, GPIL (formerly Kasat Paper and Pulp Ltd) was incorporated in 1985. The company manufactures kraft paper and newsprint paper at its manufacturing facilities located in Pune, Maharashtra with total manufacturing capacity of 54000 MTPA. The company has 1.4 MW turbine primarily used for captive purpose. The company was initially promoted by Mr Shrikant Mohanlal Kasat in 1985 and was taken public in 1996. The company was declared sick company and was registered with BIFR in 2003 due to adverse operating conditions. The plant remained non-operational between 2003 and 2006. Under the BIFR rehabilitation programme, it was taken over by new promoters, Mr Ramesh Chaudhary and Mr. Sharwan Kumar Kanodia in 2006.

Status of non-cooperation with previous CRA

CRA	Status	Date of release
CRISIL	CRISIL BB(Stable); ISSUER NOT COOPERATING; Rating Migrated	January 30, 2020

Any other information

Not applicable

Key financial Indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	101.63	132.33
PAT (Rs. crore)	1.48	1.64
OPBDIT/OI (%)	0.04	4.89%
RoCE (%)	-	22.05%
Total Outside Liabilities/Tangible Net Worth (times)	3.61	3.86
Total Debt/OPBDIT (times)	8.60	5.02
Interest Coverage (times)	2.2	2.08
DSCR	1.01	2.27

Source: FY 2019 from MCA

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					18-Mar-2020	27-Dec-2018	06-Sep-2017	-
1	Long Term - Fund Based/ CC	Long-term	6.00	-	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	-
2	Long Term / Short Term – Fund Based	Long /Short Term	8.00	-	[ICRA]B+(Stable)/A4; ISSUER NOT COOPERATING	[ICRA]BB- (Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB- (Stable)/A4; ISSUER NOT COOPERATING	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term - Fund Based/ CC	NA	NA	NA	6.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Long Term / Short Term – Fund Based	NA	NA	NA	8.00	[ICRA]B+(Stable)/A4; ISSUER NOT COOPERATING

Source: Ganga Papers India Limited

Analyst Contacts

K Ravichandran
+91 44 4596 4301
ravichandran@icraindia.com

Manish Ballabh
+91 124 4545 812
Manish.ballabh@icraindia.com

Ankti Maheshwari
+91 033 7150 1189
ankit.maheshwari@icraindia.com

Satarupa Majumder
+91 033 71501151
satarupa.majumder@icraindia.com

Relationship Contact

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999