

DLS Papers Private Limited

December 06, 2021

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.22	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	11.22 (Rs. Eleven Crore and Twenty-Two Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 22, 2020, placed the rating(s) of DLS Papers Private Limited (DPPL) under the 'issuer non-cooperating' category as DPPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DPPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 07, 2021, November 17, 2021, November 27, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [December 22, 2020](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Company

Muzaffarnagar, Uttar Pradesh, based, DLS Paper Private Limited (DLSPPPL) was incorporated in March, 2013 and started its commercial operation in October, 2015 by Mr. Laxman Singh and Mr. Dinesh Kumar. The company is being managed by Mr Laxman Singh, Mr Dinesh Kumar, Mr. Aamir Ahmed and Mr. Arshad Ali. The company is engaged in manufacturing of craft paper at its manufacturing facility located in Muzaffarnagar with installed capacity of 80 tonnes per day as on March 31, 2018. The product manufactured by DLS is used for manufacturing corrugated boxes and the same is sold to manufactures of packaging materials and dealers in NCR region. The main raw materials for the company are waste paper and waste corrugated boxes and the same is procured from scrap traders located in NCR and Muzaffarnagar region.

Brief financials of DLSPPPL:

Brief Financials (Rs. crore)	FY19(A)	FY20(A)
Total operating income	48.28	46.06
PBILDT	2.35	2.54
PAT	0.34	0.35
Overall gearing (times)	4.18	3.51
Interest coverage (times)	1.69	1.64

A: Audited

Status of non-cooperation with previous CRA: Brickwork has continued the rating assigned to the bank facilities of DLSPPPL into ISSUER NOT COOPERATING category vide press release dated July 19, 2021 on account of its inability to carry out a review in the absence of requisite information from company.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Any other information: Not applicable

Disclosure of Interest of Independent/Non-Executive Directors, Managing Director & CEO: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March, 2025	6.22	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument /Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	6.22	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING * (22-Dec-20)	1)CARE D; ISSUER NOT COOPERATING * (14-Nov-19)	1)CARE D (16-Aug-18) 2)CARE B-; Stable; ISSUER NOT COOPERATING * (06-Apr-18)
2	Fund-based - LT-Cash Credit	LT	5.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING * (22-Dec-20)	1)CARE D; ISSUER NOT COOPERATING * (14-Nov-19)	1)CARE D (16-Aug-18) 2)CARE B-; Stable; ISSUER NOT COOPERATING * (06-Apr-18)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. - +91-22-6754 3573

Email ID - mradul.mishra@careratings.com

Analyst Contact

Name - Shachee Nakul Vyas

Contact no.- +918511182592

Email ID - shachee.tripathi@careratings.com

Relationship Contact

Name - Swati Agrawal

Contact no. - +911145333237

Email ID - swati.agrawal@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**