

## Delta Paper Mills Limited

April 26, 2023

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	65.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable;
Short Term Bank Facilities	17.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

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

### Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 02, 2022, placed the rating(s) of Delta Paper Mills Limited (DPML) under the 'issuer non-cooperating' category as DPML 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. DPML continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 16, 2023, January 26, 2023, February 05, 2023.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).**

The ratings assigned to the bank facilities of DPML have been revised on account of non-availability requisite information. The ratings also factored decline in scale of operations, continued losses as well as weak debt coverage indicators during FY22.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

Please refer to PR dated [March 02, 2022](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Delta Paper Mills Limited (DPML) was established in the year 1975 and situated at Vendra Village, West Godavari Dist., Andhra Pradesh. In the year 1998, Mr. Gokaraju Ganga Raju has taken over the management of the company and has been running it successfully since then. The company manufactures writing and printing papers of different cultural varieties such as 3 CARE Ratings Limited Press Release Creamwove, White Printing, Azurewove, Azurelaid, Duplicating etc. The installed capacity of the company stood at 51,100 MT/annum. DPML caters to Govt. Text Book Corporations of Andhra Pradesh, Telangana, Maharashtra, Odisha, Tamil Nadu, Kerala, Madhya Pradesh, Assam etc.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (Rs. crore)	March 31, 2021(A)	March 31, 2022(A)
Total operating income	81.55	74.80
PBILDT	-7.72	-44.02
PAT	-22.03	-9.82
Overall gearing (times)	15.28	-87.93
Interest coverage (times)	-0.89	-9.70

A: Audited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** CRISIL has continued the ratings assigned to the bank facilities of DPML to the 'issuer not-cooperating' category vide press release dated July 27, 2022 on account its inability to carryout review in the absence of best available information from the company.

**Any other information:** Not Applicable

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

**Covenants of rated instrument/facility:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

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

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan (proposed)		-	-	-	65.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	17.00	CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (02-Mar-22) 2)CARE BB; Negative (01-Apr-21)	1)CARE BB; Stable (03-Jul-20)
2	Non-fund-based - ST-BG/LC	ST	17.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (02-Mar-22) 2)CARE A4 (01-Apr-21)	1)CARE A4 (03-Jul-20)
3	Fund-based - LT-Bank Overdraft	LT	-	-	-	-	1)Withdrawn (02-Mar-22) 2)CARE BB; Negative (01-Apr-21)	1)CARE BB; Stable (03-Jul-20)
4	Fund-based - LT-Term Loan	LT	65.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (02-Mar-22) 2)CARE BB; Negative (01-Apr-21)	1)CARE BB; Stable (03-Jul-20)

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

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**
**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

## Contact us

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### About Us:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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