

Shree Rama Newsprint Limited

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	35.16 (Enhanced from 20.74)	CARE BB; Stable / CARE A4	Reaffirmed
Long Term / Short Term Bank Facilities	-	-	Withdrawn
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Shree Rama Newsprint Limited (SRNL) continue to remain constrained due to its modest scale of operations from packaged drinking water bottling division, continued losses at PAT level due to closure of loss making paper division and leveraged capital structure.

The ratings of SRNL, however, continue to derive strength from its experienced and resourceful parent - Riddhi Siddhi Gluco Biols Limited (RSGBL) which has extended need based financial support and strategic location of plant with availability of large land parcel and captive power plant.

The rating assigned to the long-term/ short-term and long-term bank facilities have been withdrawn based on No Due certificate received from the lender that had extended these facilities.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations with PBIDLT margin over 15% on sustained basis
- Significant improvement in the financial position of SRNL by reduction of leverage and repayment of debt.

Negative factors

- Change in RSGBL's stance to support the operations of SRNL and/or deterioration in the credit profile of RSGBL
- Significant deterioration in the debt coverage indicators of the company

Analytical approach: Standalone while factoring need-based support from its parent, RSGBL.

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Ltd.'s (CareEdge Ratings) expectation that the company shall continue to benefit from its resourceful parent and established operations of its bottling plant.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations of its packaged drinking water bottle plant

SRNL had commissioned its integrated packaged drinking water bottle plant in July 2019 with installed capacity of 2534.4 lakh bottles per annum funded through unsecured loans from RSGBL. SRNL is engaged in co-packing of water bottles for established and reputed customers of "Clear" brand. Packaged water bottle of 200 ml formed 57% of total volume and remaining was contributed by 500 ml, 1 litre and 2 litre bottles. The company reported a TOI of ₹44.24 crore in FY25, reflecting a marginal y-o-y decline of 6%, primarily attributable to lower volumes at its bottling plant. Despite the revenue decline, PBILD margin improved to 16.10% in FY25 from 13.93% in FY24, driven by reduced raw material costs.

During 9MFY26, TOI declined to ₹24.85 crore as compared to ₹32.81 crore in 9MFY25, mainly due to lower capacity utilization attributable to machine maintenance activities and the replacement of spare parts. Nevertheless, PBILD margin for the continuing operations (i.e., the bottling plant) remained healthy at 27.28% during 9MFY26.

Losses from discontinued operations due to shutting down of paper division

The company has shut down its paper division manufacturing facility permanently with the approval from Board of Directors and decided not to pursue the business of the paper division in near future, therefore non-current assets including plant and

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

machineries along with other assets associated with the paper division are considered as held for sale / discontinued operations. These assets amounted to Rs. 146.24 crore against which the liabilities associated was Rs. 56.77 crore as on March 31, 2025. During FY25, SRNL has incurred losses from discontinued operations amounting to Rs.77.67 crore out of which Rs.69.56 crore pertains to impairment losses and remaining is towards interest on zero coupon debentures (ZCD) which will be redeemed during FY26 - FY28 and operational expenses incurred for sale of assets. During 9MFY26, it has further reported losses from discontinued operations of Rs.6.60 crore

High debt levels resulting in leverage capital structure

The capital structure of SRNL remained leveraged on account of continued losses due to closure of paper division and increasing debt levels. Despite no term debt obligations, the total debt remained high at Rs.434.11 crore as on March 31, 2025, out of which Rs. 350 crore pertains to preference shares issued to its parent, RSGBL, Rs. 73.40 crores pertain to zero coupon debentures and Rs. 10.44 crore of unsecured loans from its parent. As per management articulation, the dividend on non-convertible redeemable preference shares (NCRPS) would be cumulative in nature but would be payable only when the company reports sufficient profits for repayment. The repayment of ZCDs shall be made from sale of assets from discontinued operations (i.e. paper division) and if required, by way of infusion of funds by parent, RSBGL as articulated by the management.

Key strengths

Experienced and resourceful parent

Mr Ganpatraj Chowdhary, Chairman of SRNL and his son, Mr Siddharth Chowdhary, possess more than a decade long experience in managing various businesses and look after the overall operations of the company. The Chowdhary family has rich experience in corn and corn product industry through a venture namely RSGBL which was promoted by Mr Ganpatraj along with other family members in 1994 for manufacturing of starch and starch derivatives. At present, RSGBL on standalone level generates wind energy, trades in agricultural commodities and is engaged in investment activities. On standalone level, RSGBL had liquid investment of around Rs.292 crore (including investment in PE funds) as on December 31, 2025, vis-à-vis its total debt obligation of Rs.184.51 crore. Apart from the available liquid investment, RSGBL has also extended short term Inter-corporate deposits (ICDs) to various parties. RSGBL further derives financial flexibility by virtue of its comfortable standalone leverage marked by overall gearing of 0.05x as on March 31, 2025.

Demonstrated support from RSGBL, the parent of SRNL

RSGBL, promoter of SRNL, has gradually increased its equity stake in SRNL over the period of last few years. As on March 31, 2025, RSGBL held 74.76% equity stake in SRNL. Apart from equity investment, RSGBL has also extended funds in the form of preference shares/ unsecured loans of Rs.379.10 crore as on December 31, 2025 (Rs. 363.20 crore as on December 31, 2024).

Liquidity: Stretched

The liquidity of SRNL remained stretched due to low cash profit from continuing operations and high reliance on support from its parent, RSGBL for overall operations and debt servicing. The company has to repay two annual instalments of around Rs. 24 crore in August 2026 and August 2027 each towards redemption of ZCDs issued to banks and RSGBL, which shall be repaid through sale of assets from discontinued operations and in case of any shortfall, RSGBL shall infuse funds, as articulated by the management. Cash and Bank balance remained low at Rs. 0.05 crore as on March 31, 2025 (Rs. 0.65 crore as on December 31, 2025).

During 9MFY26, the company fully repaid the ICICI bank term loan and also repaid the first instalment out of total 3 annual instalments towards ZCDs issued to banks and RSGBL which was funded from sale of assets from discontinued operations and infusion of funds from parent entity RSGBL. The company has no working capital borrowing limits as on December 31, 2025.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Notching by Factoring Linkages with Parent](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Plastic Products - Consumer

Incorporated in 1994, SRNL was initially promoted by Mr. Vashu Ram Singhani. Subsequently, in the year 2003, West Coast Paper Mills Limited (WCPM) along with its promoters acquired the majority stake in SRNL. However, during FY16, RSGlobal acquired the majority stake from WCPM and its promoters. SRNL is engaged in production of packaged drinking water bottle of "clear" brand from July 2019 having installed capacity of 2534.4 lakh bottles per annum as on December 31, 2025. SRNL sells water bottle to established and reputed customers of "Clear" brand. The paper division was discontinued in FY23. Further, SRNL has a captive coal-based power plant which has power generation capacity of 23 MW.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	47.04	44.24	29.67
PBILDT*	6.55	7.12	6.78
Profit after tax (PAT)	-32.91	-28.61	-24.02
Overall gearing (x)	4.84	-ve	-ve
Interest coverage (x)	130.54	0.20	0.25

A: Audited, UA: Unaudited, -ve: Negative; Note: 'the above results are latest financial results available'

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: 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 (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2026	0.00	Withdrawn
Fund-based - LT/ ST-Working Capital Limits		-	-	-	35.16	CARE BB; Stable / CARE A4
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	35.16	CARE BB; Stable / CARE A4	1)CARE BB; Stable / CARE A4 (03-Apr-25)	1)CARE BB; Stable (01-Apr-24)	1)CARE BB; Stable (06-Apr-23)	1)CARE BB; Stable (21-Apr-22) 2)CARE D (07-Apr-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	1)CARE BB; Stable / CARE A4 (03-Apr-25)	1)CARE BB; Stable / CARE A4 (01-Apr-24)	1)CARE BB; Stable / CARE A4 (06-Apr-23)	1)CARE BB; Stable / CARE A4 (21-Apr-22) 2)CARE D / CARE D (07-Apr-22)
3	Fund-based - LT- Term Loan	LT	-	-	1)CARE BB; Stable (03-Apr-25)	1)CARE BB; Stable (01-Apr-24)	1)CARE BB; Stable (06-Apr-23)	1)CARE BB; Stable (21-Apr-22) 2)CARE D (07-Apr-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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