

JANUARY 21, 2015

**CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
GENUS PAPER & BOARDS LIMITED (ERSTWHILE GENUS PAPER PRODUCTS LIMITED)**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	56.31 (enhanced from 41.33)	CARE BBB- [(Triple B (Minus))]	Revised from CARE BB- [(Double B (Minus))]
Short-term Bank Facilities	31 (enhanced from 26)	CARE A3 (A Three)	Revised from CARE A4 (A Four)
Total Facilities	87.31		

Rating Rationale

The revision in the ratings of bank facilities of Genus Paper & Boards Limited (GPBL) takes into account the growth in the company's operating income and net profit, improvement in its capital structure and debt coverage indicators and completion of the company's modernization-cum-expansion project. The ratings continue to derive comfort from the experience of the company's promoters, long track record of operations and moderate profitability margins. However, the ratings are constrained by the company's working capital intensive nature of operations, susceptibility of its margins to the volatility in raw material prices as well as foreign exchange rates and highly fragmented and competitive nature of the paper industry.

Going forward, the ability of GPBL to improve its profitability margins amid competition and maintain its capital structure would be the key rating sensitivities.

Background

Genus Paper & Boards Limited (GPBL) is the resulting company pursuant to the scheme of arrangement as per which Genus Paper Products Limited (GPPL) was merged into Genus Power Infrastructures Limited (GPIL) and the 'Non Power Infrastructure Business' of GPIL was demerged into GPBL. In addition, the business of loans and advances of GPIL has also been transferred to GPBL.

GPBL is primarily engaged in manufacturing of kraft paper and mild steel ingot. In FY14 (refers to the period April 1 to March 31), kraft paper contributed around 83% (78% in FY13 for GPPL) and mild steel ingot contributed 17% (22% in FY13 for GPPL) of the total sales. The manufacturing facility of the company is located in Moradabad, Uttar Pradesh with installed capacity of 79,860 Metric Tonnes Per Annum of kraft paper and 23,760 Metric Tonnes Per Annum of mild steel ingots as on March 31, 2014.

During FY14, on a total operating income of Rs.253.03 crore, GPBL reported a PBILDT and PAT of Rs.25.28 crore and Rs.10.30 crore respectively as against a PBILDT and PAT of Rs.24.54 crore and Rs.8.69 crore on the total operating income of Rs.210.76 crore reported by GPPL in FY13. Furthermore, during 8MFY15 (provisional) (refers to the period April 01 to November 30), on a total operating income of Rs.205.91 crore, the company reported a PBILDT of Rs.20.96 crore.

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

Analyst Contact

Name: Ajay Dhaka

Tel: 011-45333218

Email: ajay.dhaka@careratings.com****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings 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.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating 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.

CONTACT

Head Office Mumbai

Mr. D.R. Dogra

Managing Director
 Mobile: +91-98204 16002
 E-mail: dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director
 Mobile: +91-98204 16001
 E-mail: rajesh.mokashi@careratings.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating
 Mobile: +91-9819009839
 E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services
 Mobile: +91-9819698985
 E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069
 Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD
Mr. Mehul Pandya

32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015
 Cell: +91-98242 56265
 Tel: +91-79-4026 5656
 E-mail: mehul.pandya@careratings.com

JAIPUR
Mr. Harsh Raj Sankhla

304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 - 94139 69100
 Tel: +91-141-402 0213 / 14
 E-mail: harshraj.sankhla@careratings.com

BENGALURU
Mr. Dinesh Sharma

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.
 Cell: +91-99000 41975
 Tel: +91-80-4115 0445, 4165 4529
 E-mail: dinesh.sharma@careratings.com

KOLKATA
Ms. Priti Agarwal

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

CHANDIGARH
Mr. Sajan Goyal

2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.
 Cell: +91 99888 05650
 Tel: +91-172-5171 100 / 09
 Email: sajan.goyal@careratings.com

NEW DELHI
Ms. Swati Agrawal

13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

CHENNAI
Mr. V Pradeep Kumar

Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: pradeep.kumar@careratings.com

PUNE
Mr. Rahul Patni

9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.
 Cell: +91-78754 33355
 Tel: +91-20- 4000 9000
 E-mail: rahul.patni@careratings.com

HYDERABAD
Mr. Saikat Roy

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.
 Tel: +91-40-4010 2030
 E-mail: saikat.roy@careratings.com

CIN - L67190MH1993PLC071691