

June 28, 2022

Shakumbhri Pulp & Paper Mills Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	4.90	4.90	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	1.20	1.20	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	2.00	2.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	8.10	8.10	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the Long-Term and Short-Term ratings of Shakumbhri Pulp & Paper Mills Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as [ICRA]B+(Stable) / [ICRA]A4; ISSUER NOT COOPERATING*.

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

SPPML was incorporated in 1986 and is engaged in the manufacturing of kraft paper at Muzzaffarnagar, Uttar Pradesh. Presently, SPPML has an installed capacity of 10,000 Metric Tonnes Per Annum (MTPA); it manufactures kraft paper of 16 burst factors with 80-120 grams per square meter (GSM). The present promoters of the company acquired control of SPPML in 2009 from its erstwhile promoters. Presently, the overall management of the company is with Mr. Arjun Agarwal and family who are also managing the affairs of another paper manufacturing company. The company is undertaking capex in FY16, to expand its capacity to 13,200 MTPA and produce higher quality paper.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
BRICKWORKS	BWR C/ BWR A4; ISSUER NOT COOPERATING	July 07, 2021
CRISIL	CRISIL B (Stable); ISSUER NOT COOPERATING	June 30, 2021

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					Jun 28, 2022			
1	Cash Credit	Long Term	4.90	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2	Term Loan	Long Term	1.20	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
3	Non-Fund Based	Short Term	2.00	-	[ICRA]A4; ISSUER NOT COOPERATING	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non-Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	4.90	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	1.20	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	2.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Shakumbhri Pulp & Paper Mills Limited

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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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.

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