

November 26, 2024

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 kept 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".

As part of its process and in accordance with its rating agreement with Shakumbhri Pulp & Paper Mills Limited, 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 multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

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	Aug 21, 2024
CRISIL	CRISIL B (Stable); ISSUER NOT COOPERATING	Oct 31, 2023

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2021
				Nov 26, 2024	Sep 26, 2023	Jun 28, 2022	Mar 10, 2021
1	Fund-Based-Cash Credit	Long Term	4.90	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2	Fund-Based-Term Loan	Long Term	1.20	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
3	Non-Fund Based- Others	Short Term	2.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-Based-Cash Credit	Simple
Fund-Based-Term Loan	Simple
Non-Fund Based- Others	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: [Click Here](https://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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