

January 17, 2025

The South India Paper Mills Limited: Rating Moved to Non Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Term Loan	166.77	166.77	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING*; rating moved to ISSUER NOT COOPERATING category
Fund-based – Working capital facilities – Cash credit	70.00	70.00	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING*; rating moved to ISSUER NOT COOPERATING category
Non-fund based – Working capital facilities – LC/BG	5.50	5.50	[ICRA]A4+; ISSUER NOT COOPERATING*; rating moved to ISSUER NOT COOPERATING category
Unallocated limits	7.73	7.73	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING*; rating moved to ISSUER NOT COOPERATING category
Total	250.00	250.00	

**Issuer did not cooperate; based on best available information [^]Instrument details are provided in Annexure-I*

Rationale

ICRA has moved the ratings for the bank facilities of **The South India Paper Mills Limited (SIPM)** in the ‘Issuer Not Cooperating’ category. The rating is denoted as “[ICRA]BB+(Negative)/ [ICRA]A4+; ISSUER NOT COOPERATING”.

As part of its process and in accordance with its rating agreement with SIPM, 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 moved 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 the 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	Corporate Credit Rating Methodology Policy In Respect of Non-Cooperation by a Rated Entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.

About the company

Incorporated in 1959, SIPM operates a kraft paper manufacturing unit and a packaging division at Nanjangud in Mysore district of Karnataka. SIPM also has an 11-MW captive cogeneration power plant. Its key products include kraft liners, test liners, machine-glazed kraft paper, corrugated boards and wraparound boxes. The manufacturing facility has an installed production capacity of 115,500 MT/year for the paper division and 36,000 MT/year for the packaging division. About 40-45% of the company's manufactured paper is captively consumed by its packaging division

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2025)		Chronology of rating history for the past 3 years				
			Date & rating in FY2025		Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022
			Jan 17, 2025	Jun 21, 2024	Jun 21, 2023	Jun 05, 2023	Dec 26, 2022	Aug 08, 2022	Jan 27, 2022
1 Fund based - term loans	Long-term	166.77	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)	[ICRA]BBB- (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2 Fund-based Working Capital facilities	Long-term	70.00	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)	[ICRA]BBB- (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
3 Non-fund based - Working capital facilities	Short-term	5.50	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A3	[ICRA]A3+	[ICRA]A3+	[ICRA]A2	[ICRA]A2
4 Unallocated Limits	Long-term	7.73	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)	[ICRA]BBB- (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loans	Simple
Fund-based limits	Simple
Non-fund-based facilities	Very Simple
Unallocated limits	Not Applicable

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 are available on ICRA's website: [Click Here](#) .

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	FY2015	-	FY2029	166.77	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING
NA	LC/BG	NA	NA	NA	5.50	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Cash Credit	NA	NA	NA	70.00	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	7.73	[ICRA]BB+ (Negative); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis- Not Applicable

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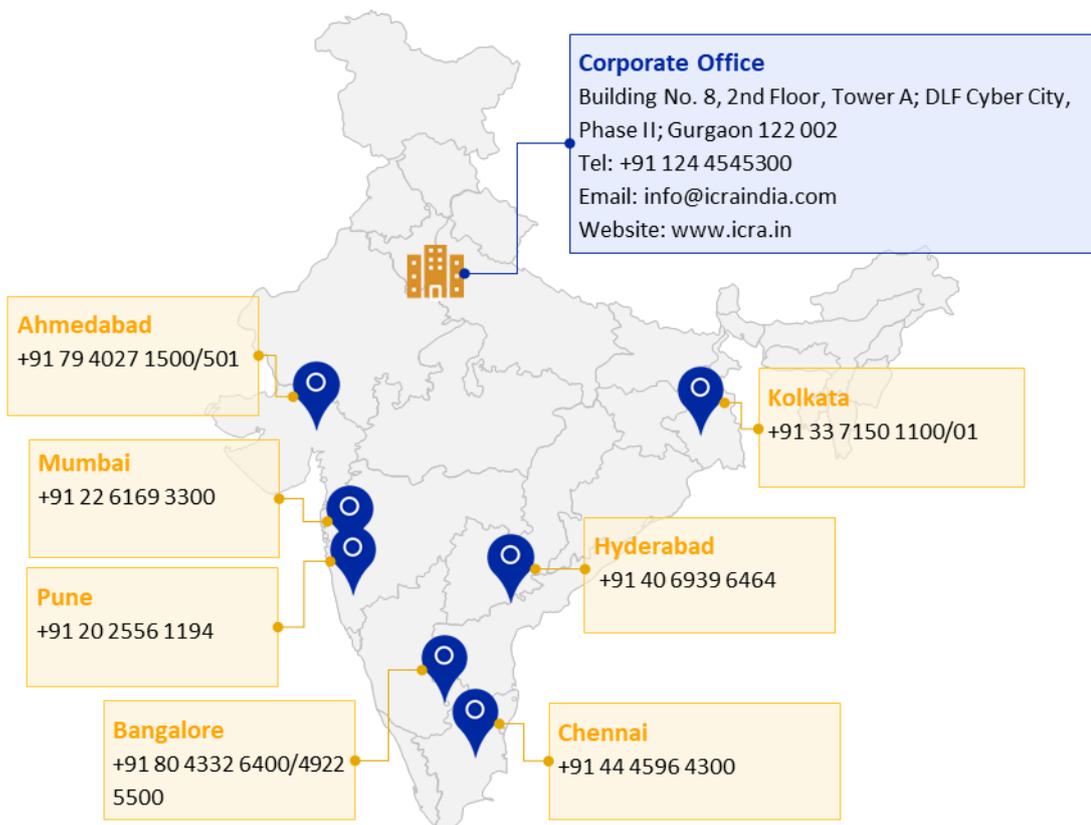
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