

February 18, 2026

**The South India Paper Mills Limited: Continues to remain in Issuer Non-Cooperating category, Rating downgraded based on best available information; Outlook revised to Stable**

**Summary of rating action**

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term- non-fund based- Others	5.50	5.50	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain under 'Issuer Not Cooperating' category
Long-term- Fund-based-Cash credit	70.00	70.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Negative); Outlook revised to Stable and continues to remain under 'Issuer Not Cooperating' category
Long-term- Fund-based-Term loan	166.77	166.77	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Negative); Outlook revised to Stable and continues to remain under 'Issuer Not Cooperating' category
Long-term- Unallocated limits	7.73	7.73	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Negative); Outlook revised to Stable and continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>250.00</b>	<b>250.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

**Rationale**

ICRA has kept the Long-Term and Short-term ratings of The South India Paper Mills Limited in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

The rating downgrade is attributable to the lack of adequate information regarding The South India Paper Mills Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade."

As part of its process and in accordance with its rating agreement with The South India 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: [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	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## 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.

## Key financial indicators

Standalone	FY2024	FY2025
Operating Income (Rs. crore)	312.3	369.3
PAT (Rs. crore)	-13.4	-9.6
OPBDIT/OI (%)	5.5%	5.8%
PAT/OI (%)	-4.3%	-2.6%
Total Outside Liabilities/Tangible Net Worth (times)	1.1	1.1
Total Debt/OPBDIT (times)	11.6	8.8
Interest Coverage (times)	0.9	1.1

**Status of non-cooperation with previous CRA: NA**

**Any other information: None**

### Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	PR Date 18-February-2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based-Cash credit</b>	Long Term	70.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	-	Jun 21, 2024	[ICRA]B B+ (Negative)	Jun 05, 2023	[ICRA]B BB (Negative)	Aug 08, 2022	[ICRA] BBB+ (Stable)
				-	-	Jan 17, 2025	[ICRA]B B+ (Negative); ISSUER NOT COOPERATING	Jun 21, 2023	[ICRA]B BB- (Negative)	Dec 26, 2022	[ICRA] BBB (Negative)
<b>Fund-based-Term loan</b>	Long Term	166.77	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	-	Jun 21, 2024	[ICRA]B B+ (Negative)	Jun 05, 2023	[ICRA]B BB (Negative)	Aug 08, 2022	[ICRA] BBB+ (Stable)
				-	-	Jan 17, 2025	[ICRA]B B+ (Negative); ISSUER NOT COOPERATING	Jun 21, 2023	[ICRA]B BB- (Negative)	Dec 26, 2022	[ICRA] BBB (Negative)
<b>Unallocated limits</b>	Long Term	7.73	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	-	Jun 21, 2024	[ICRA]B B+ (Negative)	Jun 05, 2023	[ICRA]B BB (Negative)	Aug 08, 2022	[ICRA] BBB+ (Stable)
				-	-	Jan 17, 2025	[ICRA]B B+ ; (Negative) ISSUER NOT COOPERATING	Jun 21, 2023	[ICRA]B BB- (Negative)	Dec 26, 2022	[ICRA] BBB (Negative)
<b>Non-fund based-Others</b>	Short Term	5.50	[ICRA]A4; ISSUER NOT COOPERATING	-	-	Jun 21, 2024	[ICRA]A 4+	Jun 05, 2023	[ICRA]A 3+	Aug 08, 2022	[ICRA] A2
				-	-	Jan 17, 2025	[ICRA]A 4+ ; ISSUER NOT COOPERATING	Jun 21, 2023	[ICRA]A 3	Dec 26, 2022	[ICRA] A3+

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-fund based- Others	Simple
Fund-based-Cash credit	Simple
Fund-based-Term loan	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, is available on ICRA's website: [Click Here](#)

### 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	Non-fund based- Others	-	-	-	5.50	[ICRA]A4; ISSUER NOT COOPERATING
NA	Fund-based-Cash credit	-	-	-	70.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Fund-based-Term loan	FY 2015	-	FY 2029	166.77	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated limits	-	-	-	7.73	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: The South India Paper Mills Limited

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

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

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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.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

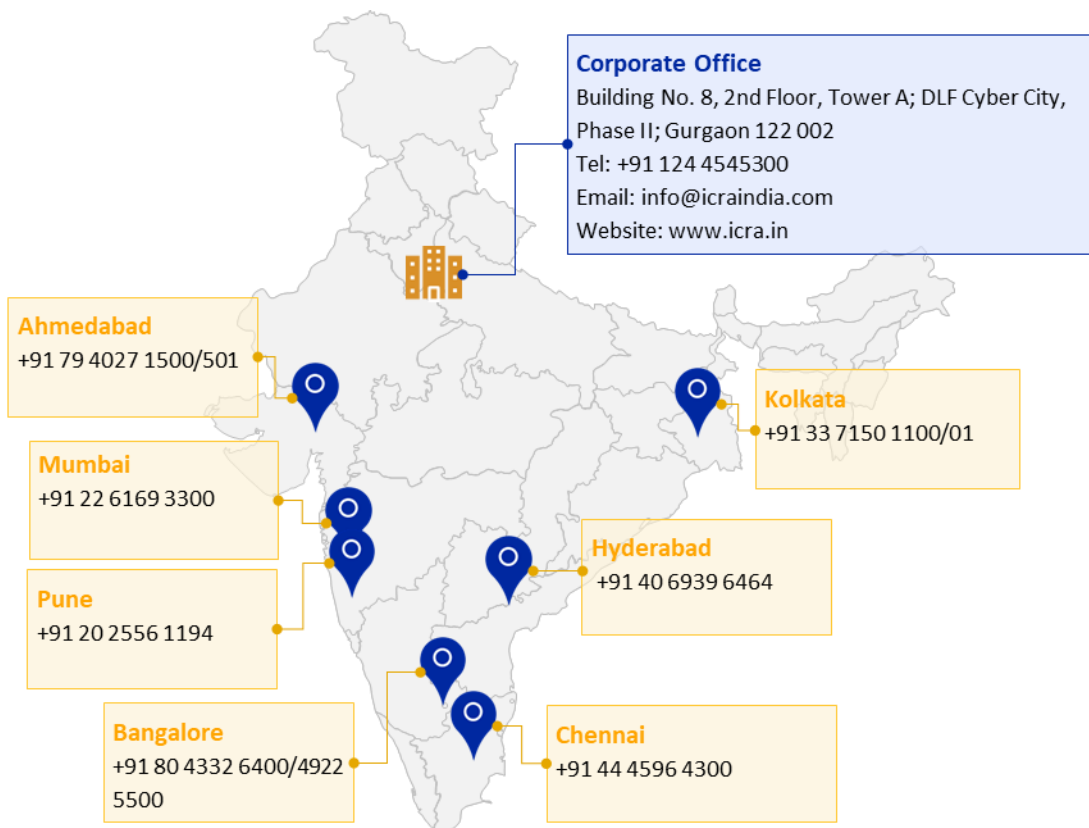


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### Branches



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