

Press Release

Sun Paper Mill Limited

March 28, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 175.00 Cr. #
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE BBB-**' (**read as ACUITE BBB minus**) and short term rating of '**ACUITE A3**' (**read as 'ACUITE A three'**) on the Rs. 175.00 crore bank facilities of SUN PAPER MILL LIMITED. This rating is now an indicative rating and is based on best available information.

Sun Paper Mill Limited (SPML) was incorporated in 1961 which is engaged in manufacturing of newsprint for publication house. The company is promoted by Dr. S B Adityan (Visionary and Philanthropist) as a backward-Integration to supply newsprint-grade paper to the group's flagship company, The Daily Thanthi (TDT), a leading Tamil newspaper - printed @ 16 locations with average 16-18 lakhs circulation. SMPL has manufacturing facility at Cheranmahadevi (Tamil Nadu).

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	86.88	101.57	78.53
EBITDA	Rs. Cr.	9.49	10.42	6.71
PAT	Rs. Cr.	4.69	4.63	1.92
EBITDA Margin	(%)	10.93	10.26	8.55
PAT Margin	(%)	5.39	4.56	2.45
ROCE (%)	(%)	14.91	18.68	26.58
Total Debt/Tangible Net Worth	Times	0.51	0.95	1.52
PBDIT/Interest	Times	4.68	3.58	2.37
Total Debt/PBDIT	Times	2.00	1.88	3.64
Gross Current Assets (Days)	Days	152	135	149

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
05-Jan-2018	Cash Credit	Long Term	INR 4.25	ACUITE BBB- / Stable
	Term Loan	Long Term	INR 5.75	ACUITE BBB- / Stable
	Letter of Credit	Short Term	INR 15	ACUITE A3
	Proposed Bank Guarantee	Short Term	INR 150	ACUITE A3

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.25	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	5.75	ACUITE BBB- Issuer not co-operating*
Letter of credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A3 Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	150.00	ACUITE A3 Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

Analytical	Rating Desk
Srihari Adari Head - Corporate and Infrastructure Sector Ratings Tel: 040-40042327 srihari.adari@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Naveen Papisetty Analyst - Rating Operations Tel: 040-40055480 naveen.papisetty@acuiteratings.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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