

Press Release

Sun Paper Mills Limited (SMPL)

December 16, 2019



Rating Downgraded and Withdrawn

Total Bank Facilities Rated*	Rs.175.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) (Withdrawn)
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) (Withdrawn)

Refer Annexure for details

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

Acuité has downgraded and withdrawn the long term rating to '**ACUITE BB+** (read as ACUITE double B plus) from '**ACUITE BBB-** (read as ACUITE triple B minus) and short term rating to '**ACUITE A4+** (read as ACUITE A four plus) from '**ACUITE A3** (read as ACUITE A three) to the Rs 175.00 crore bank facilities of Sun Paper Mills Limited(SMPL). This rating is now withdrawn, indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Sun Paper Mill Limited (SMPL) 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).

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of SMPL to arrive at this rating.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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/view-rating-criteria-17.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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated attempts.

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
28- March-2019	Cash Credit	Long Term	4.25	ACUITE BBB Issuer not co-operating*
	Term loan	Long Term	5.75	ACUITE BBB Issuer not co-operating*
	Letter of credit	Short Term	15	ACUITE A3 Issuer not co-operating*
	Proposed bank of Guarantee	Short Term	150	ACUITE A3 Issuer not co-operating*
05- Jan-2018	Cash Credit	Long Term	4.25	ACUITE BBB- / Stable
	Term loan	Long Term	5.75	ACUITE BBB- / Stable
	Letter of credit	Short Term	15	ACUITE A3
	Proposed bank of Guarantee	Short Term	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 BB (Downgraded from ACUITE BBB-) (Withdrawn)
Term loan	Not Applicable	Not Applicable	Not Applicable	5.75	ACUITE BB (Downgraded from ACUITE BBB-) (Withdrawn)
Letter of credit	Not Applicable	Not Applicable	Not Applicable	15	ACUITE A4+ (Downgraded from ACUITE A3) (Withdrawn)
Proposed bank of Guarantee	Not Applicable	Not Applicable	Not Applicable	150	ACUITE A4+ (Downgraded from ACUITE A3) (Withdrawn)

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE 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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