



**Press Release**  
**Shah Paper Mills Limited**  
**December 26, 2024**

**Rating Downgraded & Withdrawn and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	90.28	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating*	-
Bank Loan Ratings	9.72	-	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	100.00	-	-

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

**Rating Rationale**

Acuite has downgraded and withdrawn the long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B Plus**) from '**ACUITE BBB**' (read as **ACUITE Tripple Ba**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four Plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on Rs.100 crore bank facilities of Shah Paper Mills Limited (SPML). The rating is now flagged as "Issuer Not-Cooperating" and is based on the best available information. The rating downgrade is on account of information risk.

The withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility/instrument. The rating is being withdrawn on account of request received from the company, and NOC (No Objection Certificate) received from the bankers.

**About the Company**

Shah Paper Mills Limited (SPML) was incorporated as a private limited company in 1990 (under the name of Shah Paper Mills Private Limited). The company was reconstituted as a public limited company in 1994 and is currently engaged in manufacturing of writing/printing paper and newsprint in their plants located in Vapi, Gujarat. The company has 2 facilities in Vapi. The current directors of the company are Mr Mahendra Hirji Shah, Mr Ashok Zaverchand Shah, Mr Pritesh Mahendra Shah, Mr Girish Sarvotham Shetty, Ms Poonam Bharat Chauhan and Mr Parsottam Chhaganbhai Konkani.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuite 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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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 Acuite's policies.

**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.

### **Rating Sensitivities**

"No information provided by the issuer / available for Acuite to comment upon."

### **Liquidity Position**

"No information provided by the issuer / available for Acuite to comment upon."

### **Outlook: Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	1146.93	963.87
PAT	Rs. Cr.	62.39	5.11
PAT Margin	(%)	5.44	0.53
Total Debt/Tangible Net Worth	Times	0.73	1.31
PBDIT/Interest	Times	4.89	2.32

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Apr 2024	Bank Guarantee (BLR)	Short Term	9.72	ACUITE A3+ Upgraded
	Term Loan	Long Term	10.50	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	30.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	25.37	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	9.41	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
06 Jan 2023	Term Loan	Long Term	21.13	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	33.88	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	13.44	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.55	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Kotak Mahindra Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.72	Simple	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE A3+ )
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BBB )
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	01 Aug 2021	Not avl. / Not appl.	01 Aug 2026	25.37	Simple	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BBB )
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	01 Apr 2022	Not avl. / Not appl.	01 Apr 2026	9.41	Simple	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BBB )
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	01 Jun 2023	Not avl. / Not appl.	01 Jun 2028	15.00	Simple	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BBB )
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	01 Apr 2021	Not avl. / Not appl.	01 Apr 2025	10.50	Simple	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE BBB )

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

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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