

Sopan Paper Mill Private Limited

February 09, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	2.72	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable;
Long Term / Short Term Bank Facilities	6.76	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable / CARE A4;

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated December 23, 2022, placed the rating(s) of Sopan Paper Mill Private Limited (SPMPL) under the 'issuer non-cooperating' category as SPMPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SPMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 08, 2023, November 18, 2023, November 28, 2023.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of SPMPL have been revised on account of non-availability of requisite information. The revision also factored in decline in operating profitability in FY23 over FY22.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

Please refer to PR dated [December 23, 2022](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Morbi (Gujarat) based SPMPL (earlier Raison Ceramic Private Limited) was incorporated during May, 2014 as a private limited company. SPMPL is promoted by the family members of Patel family. The entity is into manufacturing of different varieties of Kraft paper which is used to make corrugated paper boxes for packaging in various industries such as tiles, food processing, beverages, etc. It operates from its manufacturing plant located at Wankaner- Morbi, Gujarat with an install capacity of 125 MT per day as on November 29, 2021. The entity purchases waste paper from both international i.e. countries like Africa, USA, UK and Middle East Countries a & domestic markets.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	131.00	97.66
PBILDT	4.29	1.60
PAT	0.57	0.60
Overall gearing (times)	3.41	2.89
Interest coverage (times)	1.97	3.59

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Rating History for last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	30/07/2024	2.72	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Cash Credit		-	-	-	6.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	0.76	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the last three years

Sr. No	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	2.72	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (23-Dec-22)	1)CARE BB-; Stable (02-Dec-21)	1)CARE BB-; Stable (02-Nov-20) 2)CARE B-; ISSUER NOT COOPERATING * (16-Jun-20)
2	Fund-based - LT/ ST-Cash Credit	LT/ ST^	6.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (23-Dec-22)	1)CARE BB-; Stable / CARE A4 (02-Dec-21)	1)CARE BB-; Stable / CARE A4 (02-Nov-20) 2)CARE B- / CARE A4; ISSUER NOT COOPERATING * (16-Jun-20)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST ^	0.76	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (23-Dec-22)	1)CARE BB-; Stable / CARE A4 (02-Dec-21)	1)CARE BB-; Stable / CARE A4 (02-Nov-20) 2)CARE A4; ISSUER NOT COOPERATING * (16-Jun-20)

*Issuer did not cooperate; based on best available information; ^Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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