



# THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory : Chikkayana Chatra, Nanjangud - 571 302, Karnataka State, India  
Corporate & Marketing Office : # 1205 / 1206, Prestige Meridian II, M.G Road, Bangalore - 560 001.

Ref: BSE/ 2023/470

21.06.2023

BSE Limited  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
Tel: (022) 2272 1233/ 34

Dear Sir,

Scrip Code: 516108

Sub: Intimation regarding Revision in Credit Rating from ICRA for Rs.250 Crores Line of Credit

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that ICRA has downgraded the long term rating to [ICRA]BBB- (Negative) (pronounced ICRA triple B minus) from [ICRA] BBB (pronounced ICRA triple B) & short term rating to [ICRA]A3 (pronounced ICRA A three) from [ICRA] A3+(pronounced ICRA A three plus) for our Rs 250 crore bank facilities of the Company with negative outlook.

The outlook on the long term rating is Negative.

In this connection we wish to submit that the rating agency in their rationale for rating downgrade in ratings with continuation of negative outlook have taken into account the continued stress on operations with the entity reporting operating losses in FY 2023, on the back of delayed commercial operations of its new facility for kraft paper, coupled with stabilization issues leading to underutilization of new capacity. ICRA expects the financial profile to be under stress in the near term, given failing realization of kraft paper and the Company being unable to achieve optimum capacity utilization levels.

**SIPM**

CIN (Corporate Identity No.) L85110KA1959PLC001352

FACTORY : PHONE : (91) (08221) 228265-67

CORPORATE : PHONE : (91) (080) 41123605

E-mail : [marketing@sipaper.com](mailto:marketing@sipaper.com) Grams : PAPERMILLS Website : [www.sipaper.com](http://www.sipaper.com)

The negative outlook on the long term rating reflects ICRA's opinion that the Company will continue to face near term headwinds in terms of stabilization of new unit, falling sales realisations and high repayments in the near term.

Considering all the above criteria, ICRA has downgraded the long term rating to **[ICRA]BBB-** (pronounced ICRA triple B minus) from **[ICRA] BBB** (pronounced ICRA triple B) & short term rating to **[ICRA]A3** (pronounced ICRA A three) from **[ICRA] A3+** (pronounced ICRA A three plus) for Rs 250 crore bank facilities of the Company with negative outlook.

Kindly take the same on your records.

Thanking you,  
**For The South India Paper Mills Limited**

**VIDYA** Digitally signed  
by VIDYA BHAT  
Date:  
**BHAT** 2023.06.22  
09:23:52 +05'30'

Vidya Bhat  
Company Secretary  
ACS 29436