Sillverton Industries Limited

Credit rating report

July 2025

Table of contents

Crisil Ratings

Instruments and ratings

Total Bank Loan Facilities Rated	Rs.430 Crore (enhanced from Rs. 280 crore)
Long Term Rating	Crisil A/Stable (upgraded from 'Crisil A-/Positive')
Short Term Rating	Crisil A1 (upgraded from 'Crisil A2+')

(Refer to annexure for Details of Instruments & Bank Facilities)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Analytical contacts

Nitin Kansal
Director - Crisil Ratings Limited
Phone: +91 124 672 2154
nitin.kansal@Crisil.com

Gaurav Arora
Associate Director - Crisil Ratings Limited
Phone: +91 124 672 2000
gaurav.arora@Crisil.com

Customer service helpdesk

Timings: 10:00 am to 7:00 pm
Toll-free number: 1800 267 3850

To receive a copy of rationale and/or rating report, write to
Crisilratingdesk@Crisil.com

For analytical queries, write to
ratingsinvestordesk@Crisil.com

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.Crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Rating history

Date	Long Term	Fixed Deposit	Short Term	Rating Watch/Outlook
Jun 26, 2025	Crisil A	-	Crisil A1	Stable
Jun 14, 2024	Crisil A-	-	Crisil A2+	Positive
Aug 14, 2023	Crisil A-	-	Crisil A2+	Stable
Apr 6, 2023	Crisil A-	-	Crisil A2+	Stable
Jan 28, 2022	Crisil A-		Crisil A2+	Stable

Analytical approach and adjustments

Consolidation / debt treatment / gearing / project risk / parent or group support	Analytical treatment
Consolidation	Crisil Ratings has combined the business and financial risk profiles of Sillverton Industries Limited (SIL) and its group companies, Garg Duplex & Paper Mills Pvt Ltd (GDPMPL) and Aroma Craft & Tissues Pvt Ltd (ACTPL). This is because these entities, collectively referred to as the Sillverton group, are in the same business, and have operational linkages and common management.

Rationale

Crisil Ratings has upgraded its ratings on the bank facilities of Sillverton Industries Limited (SIL; part of the Sillverton group) to '**Crisil A/Crisil A1'** from 'Crisil A-/Crisil A2+' while revising the outlook to '**Stable**' from 'Positive'.

The upgrade factors in the improvement in the business risk profile of the group backed by improved revenue and operating profitability. With the focus on the sales of high realization products like high grade kraft paper, writing and printing paper (WPP), and cup stock, the revenue in fiscal 2025 has grown by 17% driven by ~16% volumetric growth. Further, with the management's plan to foray into the glazed paper segment and repeat demand from the existing customers, Crisil expects the revenue to grow to Rs. 1500-1550 crores in fiscal 2026. The operating profitability has also improved to 13.4% in fiscal 2025 from 11.9% in fiscal 2024 on account of process efficiency driven capital expenditure on the setting up of waste to energy boiler. With the plans of the management to set up another waste to energy boiler and increased focus on high grade paper segments, the operating margins are expected to improve to around 14-15% in the upcoming fiscals.

The ratings also factor in the healthy financial risk profile of the group, supported by low leverage owing to sustained accretion to reserve. Despite the sizable debt funded capex on the glazed paper machine worth Rs. 270-280 crores and incremental debt-funded capex on another waste to energy boiler, gas generation plant, and upgradation of the machinery, the financial risk profile shall continue to remain comfortable supported by low leverage expected at 0.4-0.5 times and networth of over Rs. 600-700 crores in fiscals 2026 and 2027. Liquidity also remains strong backed by sizeable net cash accrual vis-a-vis term debt obligation, cushion in bank lines and unencumbered free reserve, which will be largely deployed towards business expansion and working capital, supporting liquidity over the medium term.

The ratings reflect the established market position and healthy financial risk profile of the Sillverton group. These strengths are partially offset by moderate scale of operations and exposure to project related risks.

Rating drivers

Supporting factors	Constraining factors
• Established market position • Healthy financial risk profile	• Moderate scale of operations • Exposure to project related risks

Outlook: Stable
The Sillverton group will continue to benefit from extensive experience of its promoters, strong market position and healthy financial risk profile. **Upward factor** • Increase in revenue over Rs 1700-1800 crore supported by volume growth, with improvement in operating margin to 14-15%, leading to higher-than-expected net cash accrual • Timely completion of the ongoing capex without any cost overrun thereby leading to sustained financial and liquidity profile **Downward factor** • Stretched working capital cycle or time/cost overrun in the capex leading to gearing above 1.2 times • Decline in revenue or profitability leading to net cash accruals below Rs. 80 crore

Company Overview

About the group:
Promoted by members of the Jain family, the Sillverton group manufactures kraft paper.

SPPPL (Silverton Pulp and Papers Private Limited), incorporated in 2005, was renamed as SIL in May-2025. The company manufactures high-grade kraft paper, WPP, and cupstock, which find application in the packaging industry. Its unit is in Muzaffarnagar, Uttar Pradesh.

Incorporated in 1991, GDPMPL manufactures agro-based flute kraft paper. Its unit is in Muzaffarnagar.

ACTPL was incorporated in 2010 and manufactures low and medium strength burst kraft paper; its facilities are in Roorkee, Uttarakhand.

Key credit factors

Industry Outlook

Domestic demand rose in fiscal 2024, Paperboard and specialty paper to drive long-term volumes

The paper and paperboard (including newsprint) demand are estimated to grow by 5-7% on-year in fiscal 2025. In fiscal 2024, the W&P segment has posted a moderate growth post recovery in previous fiscal. Whereas the paperboard segment is estimated to grow at the fastest rate on back of healthy demand from the end use industries like FMCG, pharma and e-commerce. The end-use industries are growing in high double-digit. The paperboard segment accounts for 63% of the share in total demand and it is the fastest growing segment among all other segments. The paperboard segment and specialty paper segment will support the domestic paper growth. The newsprint segment is on a declining trend and some of the capacities of the newsprint segment as well as W&P segment are being converted into paperboard and specialty paper segment. Going ahead, we expect demand for W&P paper will be supported by the rolling out of the NEP (National Education Policy), the W&P paper demand is expected to increase by 2-3% CAGR and reach ~6.1-6.3 million tonne by fiscal 2027. Nevertheless, enrollment of students (schools as well as higher education) is expected to increase at a relatively faster pace of 1.5-2% CAGR over the next 3 years. Also, with new education policy coming to effect and a gradual rise in education spend by the government (~20% higher spend between fiscals 2020 and 2023 compared with the previous three fiscals) and increased thrust on education (through initiatives such as Sarva Shiksha Abhiyaan/Education for All) are likely to support demand for creamwove and maplitho paper (~60-65% of total W&P paper). The printing of textbooks in regional languages and in braille for visually impaired individuals is also expected to add to the demand of W&P paper.

Demand for copier paper (24% of the W&P segment) is expected to increase at 5-7% CAGR through fiscal 2027, primarily on account of moderation spending on stationery by corporates due to focus on digital-based communication. Demand growth for coated paper is expected to remain moderate at 2-4% CAGR through fiscal 2027.We have also noticed a shift in preference for folding box board instead of the traditional art board for book covers by publication houses. This remains a key monitorable.

Margins reduced marginally on account of lower realizations in FY24, margins expected to be lower in FY25 too

In fiscal 2024, operating margins fell marginally to 19% on the back of lower realizations. Lower raw material costs are expected to benefit the consumers. In fiscal 2023, operating margin increased by over 900 bps on-year to reach ~24% owing to improved realizations. Higher energy costs are expected to have been passed on to the consumers.

Business risk profile

Market position

Established market position: Presence of more than three decades in the industrial paper industry has enabled the promoters to develop a strong understanding of market dynamics and establish healthy relationships with customers (traders, corrugated box manufacturers, publishers and fast-moving consumer goods industry). The product basket is diverse and comprises high-grade kraft paper, WPP and the specialty segment of cup stock, thus providing a one-stop solution to customers, resulting in steady flow of orders and improvement in business performance. The revenue of the group increased to Rs 1,350 crore in fiscal 2025 along with operating margin improving to 13.4% from 11.9% in fiscal 2024 supported by focus on high grade kraft paper. Post completion of ongoing capex on glazed paper machinery, the expected increase in capacities and diversity in product basket will strengthen the business risk profile of the group. Timely completion of the capex with no time/cost overrun will remain a key monitorable.

Moderate scale of operations: At the group level, revenue has grown at compound annual growth rate of 4.3% in the five fiscals through 2025. Though revenue grew to Rs 1,350 crore in fiscal 2025 from Rs 1,150 crore in fiscal 2024 driven by 16% volume growth, it remains at moderate levels. Backed by increase in volume sales of high-grade kraft paper, such as virgin kraft and cooling pad paper, and contribution from the water packaging segment, revenue is expected to grow to Rs 1,500-1,550 crore in fiscal 2026. With expected commercialization of the glazed paper machinery in the latter half of fiscal 2026, revenue is expected to rise to over Rs 2,000 crore in fiscal 2027. However, any delay in the commissioning of the glazed paper machine impacting the revenue growth shall be a key monitorable.

Operating efficiency

Healthy operating profitability: The profitability of the group improved from 11.9% in fiscal 2024 to 13.36% in fiscal 2025. Despite the increase in wastepaper prices in fiscal 2025, the operating margins improved due to the efficiency driven capex. The group had set up a waste to energy boiler in fiscal 2025 which led to a reduction in power and fuel costs thereby leading to an improvement in operating profitability. Further, the group is focused on manufacturing high grade kraft and writing and printing paper along with specialized segment of cupstock as well as setting up of another refused derived fuel boiler which will further lead to an improvement in the margins to 14-15% in fiscals 2026 and 2027.

Financial risk profile

Healthy financial risk profile: The financial risk profile will continue to be supported over the medium term by steady accretion to reserve and adequate financial flexibility. Capital structure is healthy, with estimated networth of Rs 524 crore and gearing of 0.50 time as on March 31, 2025. Debt protection metrics were robust, as reflected in interest coverage and net cash accrual to total debt ratios of 12 times and 0.52 time, respectively, in fiscal 2025. Despite the ongoing capex of Rs 350 crore, which is partly funded through debt, as well as the debt-funded capex planned over medium term, the financial risk profile will continue to be healthy, with networth and gearing expected at Rs 600-700 crore and 0.40-0.50 time, respectively, in fiscals 2026 and 2027.

Exposure to project related risks: The group is undertaking a capex of Rs 270-280 crore for setting up a glazed paper manufacturing capacity and incremental capex of Rs. 200 crores on another waste to energy boiler, gas generation plant, and upgradation of the technology. While Rs. 200 crores have already been incurred on the glazed paper capacity, the balance is to be incurred fiscal 2026 and the further capex plans shall be completed in another 1-2 years' time. Hence, the group continues to remain exposed to the risk of timely completion of the capex without any cost overrun. While the risk is partly mitigated by the long-standing experience of the management in the paper industry and their technical know-how, timely completion of the capex and steady demand offtake post the commissioning of glazed paper capacity shall remain monitorable.

Liquidity: Strong
Liquidity is strong, supported by estimated cash accrual of Rs. 137 crore in fiscal 2025. Expected net cash accrual of Rs 150-170 crore per annum over the medium term will sufficiently cover annual debt obligation of Rs 15-30 crore. The surplus will support liquidity and cushion strategic investments and capex. It had unencumbered funds of Rs. 139 crore as on March 31, 2025.
Fund-based bank limit of Rs 175 crore was utilized 26% on average over the 11 months through March 2025. The current ratio is estimated at 2.8-3.0 times as on March 31, 2025. Low gearing and moderate networth support financial flexibility and will help withstand adverse conditions or downturns in the business.

Financial policy

Financial policy has been conservative with the TOL/TNW ratio estimated at 0.81 times as on March 31, 2025.

Financial summary

(Standalone)				
		As on/ For the year ended March 31		
		2025 Provisional	2024 Actual	2023 Actual
Net Sales	Rs Crore	998.40	879.58	866.00
Operating Income	Rs Crore	1008.25	881.20	868.05

OPBDIT	Rs Crore	161.08	123.01	123.95
PAT	Rs Crore	103.82	88.24	68.16
Net Cash Accruals	Rs Crore	123.15	105.61	85.13
Equity Share Capital	Rs Crore	7.67	7.67	7.67
Adjusted Networth	Rs Crore	434.34	330.46	242.23
Adjusted Debt	Rs Crore	209.85	186.77	97.05
OPBDIT Margins	%	15.98	13.96	14.28
Net Profit Margins	%	10.30	10.01	7.85
ROCE	%	24.75	24.96	31.47
PBDIT / Int. & Finance Charges	Times	18.96	15.71	16.50
Net Cash Accruals / Adjusted Debt	Times	0.59	0.57	0.88
Adjusted Debt / Adjusted Networth	Times	0.48	0.57	0.40
Adjusted Debt / PBDIT	Times	1.24	1.43	0.75
Current Ratio	Times	3.39	2.75	2.24
TOL/ ANW	Times	0.81	0.89	0.90
Operating Income/Gross Block	Times	3.79	3.90	3.97
Gross Current Assets days	Days	147	142	116
Debtor Days	Days	31	29	33
Inventory Days	Days	46	59	42
Creditor Days	Days	49	44	40

Above reflects analytical adjustments made by Crisil Ratings.

Annexure 1: Bank details of facility classes

1. Fund-Based Facilities

#	Bank/Lender Name	Amount (Rs crore)	Outstanding Rating
a.	YES Bank Limited	5	Crisil A / Stable
b.	Citi Bank	25	Crisil A / Stable
c.	ICICI Bank Limited	10	Crisil A / Stable
d.	HDFC Bank Limited	100	Crisil A / Stable
-	Total	140	-

2. Long Term Loan

#	Bank/Lender Name	Amount (Rs crore)	Outstanding Rating
a.	YES Bank Limited	60	Crisil A / Stable
b.	Citi Bank	35	Crisil A / Stable
c.	ICICI Bank Limited	45	Crisil A / Stable
-	Total	140	-

3. Non-Fund Based Limit

#	Bank/Lender Name	Amount (Rs crore)	Outstanding Rating
a.	ICICI Bank Limited	60	Crisil A1

-	Total	60	-

4. Term Loan

#	Bank/Lender Name	Amount (Rs crore)	Outstanding Rating
a.	YES Bank Limited	90	Crisil A / Stable
-	Total	90	-

Criteria details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Criteria for consolidation

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.Crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.Crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

CRISIL PRIVACY NOTICE

Crisil respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from Crisil. For further information on Crisil's privacy policy please visit www.Crisil.com

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, Crisil Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON "AS IS" BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, Crisil RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE. In no event shall Crisil Ratings, its associates, third-party providers, as well as their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

The report is confidential information of Crisil Ratings and Crisil Ratings reserves all rights, titles and interest in the rating report. The report shall not be altered, disseminated, distributed, redistributed, licensed, sub-licensed, sold, assigned or published any content thereof or offer access to any third party without prior written consent of Crisil Ratings.

Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains or its associates. Ratings are subject to revision or withdrawal at any time by Crisil Ratings. Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For more detail, please refer to: https://www.Crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the Securities and Exchange Board of India regulations (and other applicable regulations, if any), are made available on its websites, www.Crisilratings.com and https://www.ratingsanalytica.com (free of charge). Crisil Ratings shall not have the obligation to update the information in the Crisil Ratings report following its publication although Crisil Ratings may disseminate its opinion and/or analysis. Reports with more detail and additional information may be available for subscription at a fee. Rating criteria by Crisil Ratings are available on the Crisil Ratings website, www.Crisilratings.com. For the latest rating information on any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at Crisilratingdesk@Crisil.com, or at (0091) 1800 267 3850.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.Crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html

Crisil Ratings

Rating Rationale

June 26, 2025 | Mumbai

Sillverton Industries Limited

Ratings upgraded to 'Crisil A/Stable/Crisil A1'; Rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.430 Crore (Enhanced from Rs.280 Crore)**
Long Term Rating	**Crisil A/Stable (Upgraded from 'Crisil A-/Positive')**
Short Term Rating	**Crisil A1 (Upgraded from 'Crisil A2+')**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank facilities of Sillverton Industries Limited (SIL, Formerly known as Silverton Pulp and Papers Private Limited; part of the Sillverton group) to '**Crisil A/Stable/Crisil A1**' from 'Crisil A-/Positive/Crisil A2+'.

The upgrade factors in the improvement in the business risk profile of the group backed by improved revenue and operating profitability. With the focus on the sales of high realization products like high grade kraft paper, writing and printing paper (WPP), and cup stock, the revenue in fiscal 2025 has grown by 17% driven by ~16% volumetric growth. Further, with the management's plan to foray into the glazed paper segment and repeat demand from the existing customers, Crisil expects the revenue to grow to Rs. 1500-1550 crores in fiscal 2026. The operating profitability has also improved to 13.4% in fiscal 2025 from 11.9% in fiscal 2024 on account of process efficiency driven capital expenditure on the setting up of waste to energy boiler. With the plans of the management to set up another waste to energy boiler and increased focus on high grade paper segments, the operating margins are expected to improve to around 14-15% in the upcoming fiscals.

The ratings also factor in the healthy financial risk profile of the group, supported by low leverage owing to sustained accretion to reserve. Despite the sizable debt funded capex on the glazed paper machine worth Rs. 270-280 crores and incremental debt-funded capex on another waste to energy boiler, gas generation plant, and upgradation of the machinery, the financial risk profile shall continue to remain comfortable supported by low leverage expected at 0.4-0.5 times and networth of over Rs. 600-700 crores in fiscals 2026 and 2027. Liquidity also remains strong backed by sizeable net cash accrual vis-a-vis term debt obligation, cushion in bank lines and unencumbered free reserve, which will be largely deployed towards business expansion and working capital, supporting liquidity over the medium term.

The ratings reflect the established market position and healthy financial risk profile of the Sillverton group. These strengths are partially offset by moderate scale of operations and exposure to project related risks.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of SIL and its group companies, Garg Duplex & Paper Mills Pvt Ltd (GDPML) and Aroma Craft & Tissues Pvt Ltd (ACTPL). This is because these entities, collectively referred to as the Sillverton group, are in the same business, and have operational linkages and common management.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position:** Presence of more than three decades in the industrial paper industry has enabled the promoters to develop a strong understanding of market dynamics and establish healthy relationships with customers (traders, corrugated box manufacturers, publishers and fast-moving consumer goods industry). The product basket is diverse and comprises high-grade kraft paper, WPP and the specialty segment of cup stock, thus providing a one-stop solution to customers, resulting in steady flow of orders and improvement in business performance. The revenue of the group increased to Rs 1,350 crore in fiscal 2025 along with operating margin improving to 13.4% from 11.9% in fiscal 2024 supported by focus on high grade kraft paper. Post completion of ongoing capex on glazed paper machinery, the expected increase in capacities and diversity in product basket will strengthen the business risk profile of the group. Timely completion of the capex with no time/cost overrun will remain a key monitorable.

- **Healthy financial risk profile:** The financial risk profile will continue to be supported over the medium term by steady accretion to reserve and adequate financial flexibility. Capital structure is healthy, with estimated networth of Rs 524 crore and gearing of 0.50 time as on March 31, 2025. Debt protection metrics were robust, as reflected in interest coverage and net cash accrual to total debt ratios of 12 times and 0.52 time, respectively, in fiscal 2025. Despite the ongoing capex of Rs 350 crore, which is partly funded through debt, as well as the debt-funded capex planned over medium term, the financial risk profile will continue to be healthy, with networth and gearing expected at Rs 600-700 crore and 0.40-0.50 time, respectively, in fiscals 2026 and 2027.

Weaknesses:

- **Moderate scale of operations:** At the group level, revenue has grown at compound annual growth rate of 4.3% in the five fiscals through 2025. Though revenue grew to Rs 1,350 crore in fiscal 2025 from Rs 1,150 crore in fiscal 2024 driven by 16% volume growth, it remains at moderate levels. Backed by increase in volume sales of high-grade kraft paper, such as virgin kraft and cooling pad paper, and contribution from the water packaging segment, revenue is expected to grow to Rs 1,500-1,550 crore in fiscal 2026. With expected commercialization of the glazed paper machinery in the latter half of fiscal 2026, revenue is expected to rise to over Rs 2,000 crore in fiscal 2027. However, any delay in the commissioning of the glazed paper machine impacting the revenue growth shall be a key monitorable.

- **Exposure to project related risks:** The group is undertaking a capex of Rs 270-280 crore for setting up a glazed paper manufacturing capacity and incremental capex of Rs. 200 crores on another waste to energy boiler, gas generation plant, and upgradation of the technology. While Rs. 200 crores have already been incurred on the glazed paper capacity; the balance is to be incurred fiscal 2026 and the further capex plans shall be completed in another 1-2 years' time. Hence, the group continues to remain exposed to the risk of timely completion of the capex without any cost overrun. While the risk is partly mitigated by the long-standing experience of the management in the paper industry and their technical know-how, timely completion of the capex and steady demand offtake post the commissioning of glazed paper capacity shall remain monitorable.

Liquidity: Strong

Liquidity is strong, supported by estimated cash accrual of Rs. 137 crore in fiscal 2025. Expected net cash accrual of Rs 150-170 crore per annum over the medium term will sufficiently cover annual debt obligation of Rs 15-30 crore. The surplus will support liquidity and cushion strategic investments and capex. It had unencumbered funds of Rs. 139 crore as on March 31, 2025.

Fund-based bank limit of Rs 175 crore was utilized 26% on average over the 11 months through March 2025. The current ratio is estimated at 2.8-3.0 times as on March 31, 2025. Low gearing and moderate networth support financial flexibility and will help withstand adverse conditions or downturns in the business.

Outlook: Stable

The Sillverton group will continue to benefit from extensive experience of its promoters, strong market position and healthy financial risk profile.

Rating sensitivity factors

Upward factors:

- Increase in revenue over Rs 1700-1800 crore supported by volume growth, with improvement in operating margin to 14-15%, leading to higher-than-expected net cash accrual
- Timely completion of the ongoing capex without any cost overrun thereby leading to sustained financial and liquidity profile.

Downward factors:

- Stretched working capital cycle or time/cost overrun in the capex leading to gearing above 1.2 times
- Decline in revenue or profitability leading to net cash accruals below Rs. 80 crore

About the Group

Promoted by members of the Jain family, the Sillverton group manufactures kraft paper.

SPPPL (Silverton Pulp and Papers Private Limited), incorporated in 2005, was renamed as SIL in May-2025. The company manufactures high-grade kraft paper, WPP, and cupstock, which find application in the packaging industry. Its unit is in Muzaffarnagar, Uttar Pradesh.

Incorporated in 1991, GDPMPL manufactures agro-based flute kraft paper. Its unit is in Muzaffarnagar.

ACTPL was incorporated in 2010 and manufactures low and medium strength burst kraft paper; its facilities are in Roorkee, Uttarakhand.

Key Financial Indicators (standalone)

As on/for the period ended March 31	Unit	2025*	2024
Operating income	Rs crore	1008.25	1149.80
Reported profit after tax (PAT)	Rs crore	103.82	90.38
PAT margin	%	10.30	7.86
Adjusted debt / adjusted networth	Times	0.48	0.59
Interest coverage	Times	18.96	10.12

Provisional

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Fund-Based Facilities	NA	NA	NA	140.00	NA	Crisil A/Stable
NA	Non-Fund Based Limit	NA	NA	NA	60.00	NA	Crisil A1
NA	Long Term Loan	NA	NA	31-Mar-29	35.00	NA	Crisil A/Stable
NA	Long Term Loan	NA	NA	31-Mar-29	60.00	NA	Crisil A/Stable
NA	Long Term Loan	NA	NA	31-Mar-29	45.00	NA	Crisil A/Stable
NA	Term Loan	NA	NA	31-Mar-30	90.00	NA	Crisil A/Stable

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Aroma Craft and Tissues Private Limited	100%	Same business and common promoters
Garg Duplex and Paper Mills Private Limited	100%	Same business and common promoters
Sillverton Industries Limited	100%	Same business and common promoters

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	370.0	Crisil A/Stable		--	14-06-24	Crisil A-/Positive / Crisil A2+	14-08-23	Crisil A-/Stable / Crisil A2+	28-01-22	Crisil A-/Stable / Crisil A2+	Crisil BBB+/Stable
			--		--		--	06-04-23	Crisil A-/Stable / Crisil A2+		--	--
Non-Fund Based Facilities	ST	60.0	Crisil A1		--		--	06-04-23	Crisil A2+	28-01-22	Crisil A2+	Crisil A2

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating

Fund-Based Facilities	10	ICICI Bank Limited	Crisil A/Stable
Fund-Based Facilities	25	Citi Bank	Crisil A/Stable
Fund-Based Facilities	5	YES Bank Limited	Crisil A/Stable
Fund-Based Facilities	100	HDFC Bank Limited	Crisil A/Stable
Long Term Loan	35	Citi Bank	Crisil A/Stable
Long Term Loan	60	YES Bank Limited	Crisil A/Stable
Long Term Loan	45	ICICI Bank Limited	Crisil A/Stable
Non-Fund Based Limit	60	ICICI Bank Limited	Crisil A1
Term Loan	90	YES Bank Limited	Crisil A/Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Nitin Kansal Director **Crisil Ratings Limited** B:+91 124 672 2000 nitin.kansal@crisil.com Gaurav Arora Associate Director **Crisil Ratings Limited** B:+91 124 672 2000 gaurav.arora@crisil.com Aarti Gupta Rating Analyst **Crisil Ratings Limited** B:+91 124 672 2000 Aarti.Gupta@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India’s foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: **https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html**