January 11, 2021

TCPL Packaging Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount(Rs. crore)	Current Rated Amount(Rs. crore)	Rating Action
Long-term Loans	162.75	162.75	[ICRA]A- (Negative) withdrawn
Long-term, Fund-based Facilities	141.00	141.00	[ICRA]A- (Negative) withdrawn
Short-term, Non-fund Based Facilities	20.00	20.00	[ICRA]A2+ withdrawn
Long-term / Short-term – Unallocated	20.84	20.84	[ICRA]A- (Negative)/[ICRA]A2+ withdrawn
Total	**344.59**	**344.59**	

**Instrument details are provided in Annexure-1*

Rationale

The rating is withdrawn at the request of the company and on the basis of the receipt of no objection certificates from the bankers, in accordance with ICRA's policy on withdrawal and suspension of rating of bank facilities. ICRA does not have adequate information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers and their description: Not Applicable

Liquidity position: Not Applicable

Rating sensitivities: Rating sensitivities have not been captured as the rating is being withdrawn

Link to the previous detailed rationale: Click here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Twenty-First Century Printers Limited (TCPL) was incorporated in August 1987 as a public listed company. The entity is promoted by the Kanoria family, which held 55.74% stake in the company as on September 30, 2020. It began operations by manufacturing packaging materials—mainly printed blanks used in the cigarette industry, using a gravure printing press installed at Silvassa (Dadra and Nagar Haveli). The company was renamed as TCPL Packaging Limited in 2008.

At present, the company manufactures packaging materials, based on gravure and offset printing technologies. The company had forayed into the flexible packaging segment from February 2017. Its end-products find application in a wide range of industries, such as fast-moving consumer goods (FMCG), cigarettes, liquor, pharmaceuticals, pesticides, stationery, and food products, among others. On February 25, 2020, the company incorporated a subsidiary, TCPL Innofilms Private Limited, which will be engaged in blown film activities. This subsidiary is yet to begin its operations.

During H1 FY2021, TCPL reported a profit after tax (PAT) of ~Rs. 11 crore on an operating income (OI) of ~Rs. 415 crore, against a PAT of ~Rs. 14 crore on an OI of ~Rs. 439 crore during H1 FY2020.

Key financial indicators (audited)

	FY2019	FY2020
Operating Income (Rs. crore)	815.8	889.8
PAT (Rs. crore)	29.0	36.5
OPBDIT/OI (%)	12.8%	14.2%
PAT/OI (%)	3.5%	4.1%
Total Outside Liabilities/Tangible Net Worth (times)	2.0	2.0
Total Debt/OPBDIT (times)	3.1	3.0
Interest Coverage (times)	3.7	3.4

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding*	Rating	FY2020	FY2019		FY2018
					11-Jan-2021	30-Oct-2019	23-Nov-2018	06-Jul-2018	12-Jan-2018
1	Term Loans	Long-term	162.75	116.8	[ICRA]A- (Negative) Withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A (Negative)
2	Long-term, Fund-based Facilities	Long-term	141.00	NA	[ICRA]A- (Negative) Withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]A (Negative)
3	Short-term, Non-fund Based Facilities	Short-term	20.00	NA	[ICRA]A2+ Withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+
4	Unallocated	Long-term / Short-term	20.84	NA	[ICRA]A- (Negative)/ [ICRA]A2+ Withdrawn	[ICRA]A- (Negative)/ [ICRA]A2+	[ICRA]A- (Stable)/ [ICRA]A2+	[ICRA]A- (Stable)/ [ICRA]A2+	[ICRA]A (Negative)/ [ICRA]A2+

Amount in Rs. Crore; As on March 31, 2019

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website click here

Annexure-1: Instrument details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term Loan	FY2014	6.7%	FY2023	54.65	[ICRA]A- (Negative) Withdrawn
NA	Long-term Loan	FY2014	10.6%	FY2021	39.63	[ICRA]A- (Negative) Withdrawn
NA	Long-term Loan	FY2016	10.1%	FY2022	28.84	[ICRA]A- (Negative) Withdrawn
NA	Long-term Loan	FY2015	4.3%	FY2019	39.63	[ICRA]A- (Negative) Withdrawn
NA	Long-term, Fund-based Facilities	NA	NA	NA	141.00	[ICRA]A- (Negative) Withdrawn
NA	Short-term, Non-fund Based Facilities	NA	NA	NA	20.00	[ICRA]A2+; Withdrawn
NA	Long-term / Short-term, Unallocated	NA	NA	NA	20.84	[ICRA]A- (Negative)/ [ICRA]A2+; Withdrawn

Source: TCPL Packaging Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit www.icra.in

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