

January 12, 2024

## West Coast Paper Mills Ltd.: Change in limits

### Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long term – Fund based – Term Loan	-	131.25 <sup>1</sup>	[ICRA]AA (Stable); Outstanding
Long term – unallocated	245.00	113.75	[ICRA]AA (Stable); Outstanding
Long term/ Short term-unallocated	105.00	105.00	[ICRA]AA (Stable)/[ICRA]A1+; Outstanding
Commercial Paper	50.00	50.00	[ICRA]A1+; Outstanding
Long term – Interchangeable	-	(106.00) <sup>2</sup>	[ICRA]AA (Stable); Outstanding
<b>Total</b>	<b>400.00</b>	<b>400.00</b>	

\*Instrument details are provided in Annexure-1

- Rs 90 Crores and Rs 41.25 Crores as per sanction letter dated January 3, 2023 and May 4, 2023 respectively.
- Capex LC of Rs 85 Crores and 21 Crores; sublimit of term loans; As per sanction letter dated January 3, 2023 and May 4, 2023 respectively.

### Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, environmental and social risks, the liquidity position and rating sensitivities and key financial indicators: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of the company. As on March 31, 2023, the company had two operating subsidiaries, who are enlisted in Annexure 2.

### About the company

Incorporated in 1955, West Coast Paper Mills Limited (WCPL) is the flagship entity of the SK Bangur Group, based in Kolkata. WCPL is engaged in manufacturing writing and printing papers and cupstocks from its 3.2-lakh MTPA paper manufacturing plant at Dandeli, Karnataka. The company is backward integrated with a 2.65-lakh MTPA in-house pulp production capacity and 75-MW captive power plants. WCPL sells its products across India through its dealer network. The company acquired a 72% stake in International Paper APPM Limited in FY2020 and subsequently renamed the company to Andhra Paper Mills Limited. Following the completion of the acquisition, WCPL now has one of the largest, consolidated writing and printing paper manufacturing capacities in India. APL has a manufacturing capacity of 241,000 MTPA for writing, printing and cut-size papers for foreign and domestic markets.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as of September 30, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022		Date & rating in FY2021
				Jan 12, 2024	Nov 24, 2023		Nov 23, 2022	Feb 10, 2022	
1 Fund based-Term Loan	Long term	131.25	11.72	[ICRA]AA (Stable)	-	-	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
2 Unallocated	Long term	113.75	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	-
3 Unallocated	Long term/ Short term	105.00	-	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	-
4 Fund-based/Non-Fund based facilities	Long term/ Short term	-	-	-	-	-	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+
5 Commercial Paper*	Short term	50.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
6 NCD	Long term	-	-	-	-	-	[ICRA]AA- (Stable); Withdrawn	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
8 Interchangeable	Long term	(106.00)	-	[ICRA]AA (Stable)	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund based – Term Loan	Simple
Long-term/ Short-term, Unallocated	Not Applicable
Long-term, Unallocated Limits	Not Applicable
Commercial Paper	Very Simple
Long term – Interchangeable	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

## Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based – Term Loan I	FY2023	-	FY2029	90.00	[ICRA]AA(Stable)
NA	Fund based – Term Loan II	FY2024	-	FY2029	41.25	[ICRA]AA(Stable)
NA	Unallocated	-	-	-	113.75	[ICRA]AA(Stable)
NA	Unallocated	-	-	-	105.00	[ICRA]AA(Stable)/[ICRA]A1+
NA	Commercial Paper*	-	-	-	50.00	[ICRA]A1+
NA	Interchangeable	-	-	-	(106.00)	[ICRA]AA(Stable)

Source: Company, \*not yet placed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
West Coast Opticables Limited	100.00%	Full Consolidation
Andhra Paper Limited	72.24%	Full Consolidation

Source: Annual report, \*As on March 31, 2023

## ANALYST CONTACTS

**Shamsher Dewan**  
+91 124 4545300  
[shamsherd@icraindia.com](mailto:shamsherd@icraindia.com)

**Srikumar Krishnamurthy**  
+91 44 45964318  
[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Suprio Banerjee**  
+91 22 6114 3443  
[supriob@icraindia.com](mailto:supriob@icraindia.com)

**Karan Gupta**  
+91 22 6114 3416  
[karan.gupta@icraindia.com](mailto:karan.gupta@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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