

February 20, 2024

## Sunpack Barrier Films Pvt. Ltd.: Moved to Issuer Non-Cooperating category; Ratings downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Cash Credit	4.00	4.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and Rating moved to 'Issuer Not Cooperating' Category.
Non-fund Based Letter of Credit	6.00	6.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and Rating moved to 'Issuer Not Cooperating' Category.
Non-fund Based – Loan Equivalent Risk	0.75	0.75	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and Rating moved to 'Issuer Not Cooperating' Category.
<b>Total</b>	<b>10.75</b>	<b>10.75</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has downgraded and moved the ratings for the bank facilities of Sunpack Barrier Films Pvt. Ltd. (SBFPL) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding SBFPL's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As a part of its process and in accordance with its rating agreement with SBFPL, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative including not providing NDS for December 2023 and January 2024. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the firm.

## About the company

Incorporated in 2004 by the Patel family, Sunpack Barrier Films Pvt. Ltd. manufactures flexible packaging films such as polyethylene films and polyamide films, which are used in various industries such as foods, FMCG, and pharmaceuticals. The company's registered office is in Ahmedabad (Gujarat) and its manufacturing facility is in Gandhinagar, which has an installed capacity of 3,600 MTPA. The directors have extensive experience in the flexible packaging industry vide their association with Colourflex Laminators Ltd., which manufactures printed/ laminated films and pouches.

## 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 December 31, 2022 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Feb 20, 2024	Mar 23, 2023	Mar 18, 2022	Feb 16, 2021
1 Fund - based-Cash Credit	Long term	4.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	[ICRA]BB+(Stable)	[ICRA]BB+(Stable)
2 Fund - Based -Term Loan	Long term	0.00	-	-	-	-	[ICRA]BB+(Stable)
3 Non-fund - Based- Letter of Credit	Short term	6.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
4 Non-fund - based- Loan Equivalent Risk	Short term	0.75	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund based- Cash Credit	Simple
Non-fund -based- Letter of Credit	Very Simple
Non-fund -based- Loan Equivalent Risk	Very 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, is available on ICRA's website: [Click Here](https://www.icra.in)

#### Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	4.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Letter of Credit	NA	NA	NA	6.00	[ICRA]A4 ISSUER COOPERATING NOT
NA	Loan Equivalent Risk	NA	NA	NA	0.75	[ICRA]A4 ISSUER COOPERATING NOT

Source: Company

#### Annexure-II: List of entities considered for consolidated analysis – Not applicable

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## About ICRA Limited:

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### Branches



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