

March 07, 2024

Wadpack Pvt Ltd: Ratings moved to Issuer Non-Cooperating Category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Short-term – Fund-based, Cash Credit	15.00	15.00	[ICRA]BB(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING*; rating moved to Issuer Not Cooperating category
Long-term – Fund-based, Term Loan	11.59	11.59	[ICRA]BB(Stable); ISSUER NOT COOPERATING*; rating moved to Issuer Not Cooperating category
Total	26.59	26.59	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of Wadpack Pvt Ltd (WPL/ the company) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING".

The rating is based on limited cooperation from the entity since the time it was last rated in August 2023. As a part of its process and in accordance with its rating agreement with WPL, 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 cooperation and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [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	Policy in respect of Non-cooperation by a rated entity Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1976, WPL is a manufacturer and dealer in containers, boxes, packaging wrappings, and wrappers of all kinds made from paper and board. Its manufacturing plants are at Doddaballapur (Bangalore) and Guntur (Andhra Pradesh), with a manufacturing capacity of 24,000 MT each. As of FY2023, the company derived 34% of its total revenues from the tobacco segment, 26% from the board segment, 13% from apparels and 27% from other segments.

Key financial indicators (audited)

KFL – Standalone	FY2022	FY2023
Operating income	115.8	139.5
PAT	1.7	1.2
OPBDITA/OI	4.1%	3.6%
PAT/OI	1.5%	2.4
Total outside liabilities/Tangible net worth (times)	1.5	1.6
Total debt/OPBDITA (times)	4.6	7.2
Interest coverage (times)	2.6	2.2

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Amounts in Rs. crore

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 March 31, 2023 (Rs. crore)	Date & Rating in		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				March 7, 2024	Aug 7, 2023	Jul 28, 2022	May 12, 2021	-
1	Fund-based, Cash Credit	Long-term/Short-term	15.00	-	[ICRA]BB(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BB(Stable)/[ICRA]A4+	[ICRA]BB(Stable)/[ICRA]A4+	-
2	Fund-based, Term Loan	Long-term	11.59	-	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable)	[ICRA]BB(Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term/ Short-term – Fund-based, Cash Credit	Simple
Long-term – Fund-based, Term Loan	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](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long-term/ Short-term Fund-based, Cash Credit	-	-	-	15.00	[ICRA]BB (Stable)/[ICRA]A4+; ISSUER NOT COOPERATING
NA	Long-term Fund-based, Term Loan	June 2020	9.95%	FY2030	11.59	[ICRA]BB (Stable); ISSUER NOT COOPERATING

Source: Company

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

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545 328

shamsherd@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Deepak Jotwani

+91 124 4545 870

deepak.jotwani@icraindia.com

Charvi Sagar

+91 124 4545 373

charvi.sagar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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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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