

July 27, 2020

Veer Plastics Private Limited: Rating Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Term Loan	81.63	81.63	[ICRA]BBB+ (Stable); Withdrawn
Fund-based Working Capital Facilities	109.00	109.00	[ICRA]BBB+ (Stable); Withdrawn
Non-fund Based Credit Exposure Limit	3.00	3.00	[ICRA]A2; Withdrawn
Non-fund Based Letter of Credit (LC)	6.00	6.00	[ICRA]A2; Withdrawn
Non-fund Based Standby Line of Credit	6.82	6.82	[ICRA]A2; Withdrawn
Non-fund Based Bank Guarantee (BG)	9.25	9.25	[ICRA]A2; Withdrawn
Fund-based Export Packing Credit	(88.00)^	(88.00)^	[ICRA]A2; Withdrawn
Total	215.70	215.70	

*Instrument details are provided in Annexure-1

^Sub-limit of Cash Credit

Rationale

The long-term Ratings and short-term assigned to Veer Plastics Private Limited (VPPL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

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

About the company:

Veer Plastics Private Limited (VPPL) was incorporated in 1985, as a manufacturer of poly woven bags, at Kadi in Gujarat. In 1995, VPPL established a fully-integrated facility at Santej near Ahmedabad in Gujarat; and in 2001 it established another fully integrated facility at Silvassa in Dadra and Nagar Haveli. In 2010, it set up two plants in Nalagarh in Himachal Pradesh under its group entities—Karan Synthetics India Limited and Karan Polypack Private Limited, which were later merged into Veer Plastics Private Limited on April 2014. The company has since expanded its production capacities as well as the product range. It currently manufactures woven sacks, flexible intermediate bulk containers/jumbo bags and other technical/geo textile products. In FY2018, the company formed two wholly owned subsidiaries—Geo Products Inc. (USA) and Veer Plastics Canada Inc. (Canada)—which are expected to commission operations from April 2019.

The previous detailed rating rationale is available on the following link: [Click here](#)

Status of non-cooperation with previous CRA: Not applicable

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	510.79	540.98
PAT (Rs. crore)	17.58	16.28
OPBDITA/ OI (%)	9.74%	9.22%
RoCE (%)	17.58%	14.85%
Total Outside Liabilities/Tangible Net Worth (times)	1.81	1.78
Total Debt/OPBDITA (times)	2.97	3.78
Interest Coverage	4.00	3.09
DSCR (excl. STD)	2.36	1.86

Source: MCA

Any other information: None

Rating history for last three years:

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years				
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2020	FY2019	FY2018		
					27-Jul-2020	03-Apr-2019	-	18-Jan-2018	24-Aug-2017	07-Jul-2017
1	Term Loan	Long Term	81.63	75.67^	[ICRA]BBB+ (Stable); Withdrawn	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)
2	Cash Credit	Long Term	109.00	-	[ICRA]BBB+ (Stable); Withdrawn	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB (Stable)
3	Letter of Credit	Short Term	6.00	-	[ICRA]A2; Withdrawn	[ICRA]A2	-	[ICRA]A2	[ICRA]A2	[ICRA]A3+
4	Standby Letter of Credit	Short Term	6.82	-	[ICRA]A2; Withdrawn	[ICRA]A2	-	-	-	-
5	Credit Exposure Limit	Short Term	3.00	-	[ICRA]A2; Withdrawn	[ICRA]A2	-	[ICRA]A2	[ICRA]A2	[ICRA]A3+
6	Bank Guarantee	Short Term	9.25	-	[ICRA]A2; Withdrawn	[ICRA]A2	-	[ICRA]A2	[ICRA]A2	[ICRA]A3+
7	Export Packing Credit	Short Term	(88.00)*	-	[ICRA]A2; Withdrawn	[ICRA]A2	-	[ICRA]A2	[ICRA]A2	[ICRA]A3+

*Sub-limit of Cash Credit ^As on December 31, 2018

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 www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2018/19	NA	FY2023/24	81.63	[ICRA]BBB+ (Stable); Withdrawn
NA	Cash Credit	NA	NA	NA	109.00	[ICRA]BBB+ (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	6.00	[ICRA]A2; Withdrawn
NA	Standby Letter of Credit	NA	NA	NA	6.82	[ICRA]A2; Withdrawn
NA	Credit Exposure Limit	NA	NA	NA	3.00	[ICRA]A2; Withdrawn
NA	Bank Guarantee	NA	NA	NA	9.25	[ICRA]A2; Withdrawn
NA	Export Packing Credit	NA	NA	NA	(88.00)*	[ICRA]A2; Withdrawn

*Sub-limit of Cash Credit

Source: Veer Plastics Private Limited (VPPL)

ANALYST CONTACTS

K. Ravichandran

+91 44 4596 4301

ravichandran@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Sanket Thakkar

+91 79 4027 1528

sanket.thakkar@icraindia.com

Anuja Shah

+91 79 40271530

anuja.shah@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@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

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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