

## Futuristic Packaging Pvt. Ltd.

Instrument	Amount Rated	Rating Action
Cash Credit	Rs 9.10 crore	[ICRA]BB-(Stable) assigned
Term Loan	Rs 4.00 crore	[ICRA]BB-(Stable) assigned
Unallocated Limits	Rs. 0.40 crore	[ICRA]BB-(Stable) assigned
PC/PCFC*	(Rs. 2.00 crore)	[ICRA]A4 assigned
FDBP/FUDBP*	(Rs. 2.00 crore)	[ICRA]A4 assigned
Bank Guarantee	Rs. 0.15 crore	[ICRA]A4 assigned
Letter of Credit	Rs. 5.00 crore	[ICRA]A4 assigned
Forward Exchange Contract	Rs. 0.35 crore	[ICRA]A4 assigned

\*Sub-limit of cash credit

The long-term rating of [ICRA]BB- (pronounced ICRA double B minus) has been assigned to the Rs. 9.10 crore<sup>1</sup> cash credit facility, Rs. 4.00 crore term loan facility and Rs. 0.40 crore unallocated limits of Futuristic Packaging Pvt. Ltd. (FPPL)<sup>2</sup>. ICRA has also assigned the short-term rating of [ICRA]A4 (pronounced ICRA A four) to the Rs. 5.50 crore short term non fund based facility of FPPL. The outlook on long term rating is 'Stable'.

The assigned ratings are constrained by FPPL's moderate financial risk profile, characterised by average profitability and return indicators, leveraged capital structure and moderate debt coverage indicators. The ratings are also constrained by the high working capital intensity of operations on account of high raw material inventory requirements and high receivable period following low bargaining power with the established customers; and vulnerability of profitability to any adverse fluctuations in raw material prices. ICRA also notes the intense competition and fragmentation in the packaging industry, given the low entry barriers, low capital intensity and less complexity involved in the production process.

The ratings, however, favourably factor in the extensive experience of the promoters in the metal industry and reputed and diversified clientele base with leading players from the pharmaceutical industry. ICRA has also taken into consideration FPPL's ability to ramp up its operations over FY2012 to FY2016 with stabilisation of operations and an increase in its installed capacity.

### Company Profile

Futuristic Packaging Private Limited (FPPL) was incorporated in 2010 as a closely held private limited company by Mr. Vinay Jaiswal. The company is engaged in manufacturing laminated and printed aluminium foils that find application in pharmaceutical and food packaging industries. FPPL commenced its commercial production from October 2010. The manufacturing facility is at Sanand, Ahmedabad, with a total annual installed capacity of processing 2,240 Metric Tonnes (MT) of aluminium foil. The product profile of the company includes strip pack foils, blister pack foils, alu alu pack foils, chocolate wraps, ice cream cone sleeves, etc. FPPL is an ISO 22000-2005, and ISO 9001-2008 certified company that has received Drug Master File (DMF) Type III (packaging) and Good Manufacturing Practice (GMP) certificates as well.

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

**Recent Results**

During FY2015, FPPL reported an operating income of Rs. 41.12 crore and profit after tax of Rs. 0.27 crore as against the operating income of Rs. 27.85 crore and profit after tax of Rs. 0.19 crore during FY2014. During FY2016, the company reported an operating income of Rs. 44.11 crore and profit before tax of Rs. 0.46 crore as per unaudited provisional figures.

**August 2016**

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