

March 27, 2024

Weener Empire Plastics Private Limited: Ratings downgraded; 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 - Unallocated	15.00	15.00	[ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING*; downgraded from [ICRA]A-(Stable)/[ICRA]A2+ and moved to 'Issuer Not Cooperating' Category
Total	15.00	15.00	

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

[^]Instrument details are provided in Annexure I

Rationale

ICRA has downgraded and moved the ratings for the bank facilities of Weener Empire Plastics Private Limited (WEPL) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable)/[ICRA]A4+ "ISSUER NOT COOPERATING".

As a part of its process and in accordance with its rating agreement with WEPL, ICRA has been trying to seek information from the entity so as to monitor its performance. 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, the rating has been moved to the "Issuer Not Cooperating" category. The rating is 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 : [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	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

WEPL was incorporated in 2008, by merging two entities operated by the promoters – Zeena Plastics Limited (ZPL, incorporated in 1992) and Empire Plastics Limited (EPL, incorporated in 1995). In December 2013, Weener Plastic Packaging Group (WPPG) of Netherlands purchased the shares of the Indian promoters in WEPL, thereby increasing its stake from 30.9% to 99.3%, which further increased to 99.99% in FY2015. The company was converted to a private limited entity in 2015, under the name – Weener Empire Plastics Private Limited.

WEPL manufactures plastic bottles and caps, mainly for cosmetic and pharmaceutical products. The company currently has two factories at Silvassa (Dadra and Nagar Haveli), one at Dehradun (Uttarakhand), and one each at Tarapur (Maharashtra), and Umbergaon (Gujarat).

Key financial indicators (audited)

	FY2021	FY2022
Operating income (Rs. crore)	237.67	246.13
PAT (Rs. crore)	18.98	10.02
OPBDIT/OI (%)	19.94%	13.06%
PAT/OI (%)	7.99%	4.07%
Total outside liabilities/Tangible net worth (times)	0.34	0.38
Total debt/OPBDIT (times)	0.11	0.16
Interest coverage (times)	38.54	96.38

Source: Company, ICRA Research, PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

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 on February 29, 2024 (Rs. crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
1 Unallocated	Long term/Short term	15.00	-	Mar 27, 2024	Jan 30, 2023	October 29, 2021	July 14, 2020
				[ICRA]BB+(Stable)/[ICRA]A 4+; ISSUER NOT COOPERATING	[ICRA]A-(Stable)/[ICRA]A 2+	[ICRA]A-(Stable)/[ICRA]A 2+	[ICRA]A-(Stable)/[ICRA]A 2+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Unallocated	Not Applicable

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	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Unallocated	NA	NA	NA	15.00	[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING

Source: Company

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

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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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.

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