



Press Release

Wudtools

August 21st, 2020

Ratings

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action
Fund Based Facilities – Cash Credit	12.00	IVR BB- (ISSUER NOT COOPERATING) (IVR Double B Minus; ISSUER NOT COOPERATING)*	Revised from IVR BB+/Stable Outlook (IVR Double B Plus with Stable Outlook)
Total	12.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating is reaffirmed because of lack of adequate information regarding Wudtools' performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the proposed bank facilities, vide letter communications dated June 25th, 2020, August 03rd, 2020, August 12th, 2020 and August 17th, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term ratings for the bank loan facilities aggregating to INR12.00 Crore of Wudtools shall be revised to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-: Issuer Not Cooperating; based on best available information (IVR Double B Minus: Issuer Not Cooperating); based on best available information.



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Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Rating Methodology for Manufacturing Companies

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Incorporated in 1965 as a partnership firm, Wudtools (WT) is engaged in manufacturing of various types of cutting tools and blades like bias cutters, disc knives, auto skiver knives, vent trimming blades, steel cord blades etc. The company, initially catered only to the wood industry. Later on, with the growth in scale of operations and with its growing experience, the firm started catering to around 18 industries including the paper, tyre, plastic and packaging industries.

Financials (Standalone)

(INR Crore)

For the year ended / As on	31-03-18	31-03-19
	Audited	Provisional
Total Operating Income	31.19	42.85
EBITDA	3.09	3.20
PAT	1.47	2.64
Tangible Net worth	9.29	12.55
Ratios		
PAT Margin	4.72	6.16
Overall Gearing Ratio	2.03	1.89

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/ Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (July 09 th ,	Date(s) & Rating(s) assigned in 2019-20 (May 23 rd ,	Date(s) & Rating(s) assigned in 2017-18 (February



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					2019)	2019)	26 th , 2018)
1.	Fund Based Facilities – Cash Credit	Long Term	12.00	IVR BB-(INC)	IVR BB+	IVR BB-(INC)	IVR BB

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Fund Based Facilities – Cash Credit	-	-	-	12.00	IVR BB-; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information