

Press Release

Wudtools

May 23, 2019

Ratings

Instrument/ Facility	Amount (Rs. crore)	Rating	Rating Action
Fund based facilities- Cash Credit	12.00	IVR BB-/Stable Outlook (IVR Double B Minus with Stable Outlook) ISSUER NOT COOPERATING	Moved to ISSUER NOT COOPERATING and revised to IVR BB-/Stable Outlook on the basis of best available information
Total	12.00		

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

Details of Facility are in Annexure 1

Detailed Rationale and Key Rating Drivers

Availability of information from the client is a key factor in the assessment of credit risk. However, no operational or financial information has been provided by the company. Based on information available at the time of last review/surveillance, the ratings have been migrated to 'IVR BB- ISSUER NOT COOPERATING'. In line with the extant SEBI guidelines, Infomerics has reviewed the rating on the basis of the best available information which however, in Infomerics's opinion is not sufficient to arrive at a fair rating.

Non-cooperation by Issuer

We have repeatedly followed up with the entity to provide the latest data & annual report for FY18 for annual surveillance, vide mails dated January 16, 2019, January 22, 2019, February 05, 2019, February 12, 2019, March 14, 2019 and May 8, 2019, May 14, 2019 and concurrently over several phone calls. However, despite repeated requests, the company has failed to submit the relevant details. Further the company has failed to submit NDS dated 1st April 2019 and 1st May 2019. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has to rate the clients based on the available information. Accordingly, the long term for the bank loan facilities of Wudtools of Rs.12.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics. Accordingly, the lenders, investors and other

market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach & Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Incorporated in 1965 as a partnership firm, Wudtools (WT) 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. Presently the firm is engaged in the manufacture of various types of cutting tools and blades like bias cutters, disc knives, auto skiver knives, vent trimming blades, steel cord blades etc. The firm's manufacturing facility is located at Latur, Maharashtra. The day-to-day affairs of the entity are presently looked after by the partners Mr. Lokendra Sheth and Mr. Chaitanya Sheth. The firm's group entity, Wudtools Exports, is engaged in the export of the same products to countries like Spain, Italy, Bangladesh, Germany, USA, Srilanka etc. This entity is mainly engaged in trading, wherein it procures the finished commodity from Wudtools and exports the same.

Financials (Standalone)

(Rs. Crore)

For the year ended*	31-03-2017
	Audited
Total Operating Income	26.15
EBITDA	5.08
For the year ended*	31-03-2017
PAT	1.68
Total Debt	15.44
Tangible Net worth	7.81
EBITDA Margin (%)	19.42
PAT Margin (%)	6.41
Overall Gearing Ratio (x)	1.98

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Fund Based Facilities- Cash Credit	Long Term	12.00	IVR BB- /Stable ISSUER NOT COOPERATING*		IVR BB /Stable Outlook (Feb 26, 2018)	--

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 (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities - Cash Credit	-	-		12.00	IVR BB-/Stable ISSUER NOT COOPERATING*

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