

## Rating Rationale

November 21, 2025 | Mumbai

### Worth Peripherals Limited

Ratings reaffirmed at 'Crisil BBB+ / Stable / Crisil A2 '

#### Rating Action

Total Bank Loan Facilities Rated	Rs.10.18 Crore
Long Term Rating	Crisil BBB+/Stable (Reaffirmed)
Short Term Rating	Crisil A2 (Reaffirmed)

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.*

*The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil BBB+/Stable/Crisil A2' ratings on the bank facilities of Worth Peripherals Ltd (WPL).

The ratings continue to reflect the extensive experience of the promoter in the packaging industry and the established clientele along with comfortable financial risk profile of the company. These rating strengths are partially offset by average scale of operations and susceptibility to volatility in raw material prices.

#### Analytical Approach

To arrive at the ratings, Crisil Ratings has combined the business and financial risk profiles of WPL and its subsidiaries, i.e., Worth Wellness Private Limited and Yash Packers.

Crisil Ratings has changed its analytical approach from standalone to consolidation on receipt of management's undertaking confirming that the aforesaid entities form a group and have significant financial fungibility.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

#### Key Rating Drivers - Strengths

**Extensive experience of the promoter and established clientele:** The three-decade-long experience of the promoter in the paper packaging industry has helped in building longstanding relationships with large players in the fast-moving consumer goods industry in India. This ensures repeat orders and sustenance of revenue in range of Rs 243-298 crore in the three fiscals through March 31, 2025. Strong clientele strengthens market position and mitigates risks associated with moderate scale of operations.

**Comfortable financial risk profile:** Moderate network of Rs 189 crore on March 31, 2025 and limited exposure to external borrowing, result in gearing and total outside liabilities to total network ratios of 0.1 time and 0.2 time, respectively. The group has undertaken a greenfield expansion via its wholly owned subsidiary, WWPL; the capital expenditure (capex) of ~Rs 125 crore during fiscals 2025-26 is being funded by term loan of Rs 48 crore and the balance from promoter's contribution. Low debt equity ratio of 0.6 time controls leverage. Debt protection metrics were healthy with interest coverage and net cash accruals to adjusted debt ratios of 14.3 time and 1.2 time, respectively on March 31, 2025. Improvement in scale through timely ramp up of the unit and steady profitability will be crucial for sustenance of financial risk profile over the medium term.

#### Key Rating Drivers - Weaknesses

**Average scale of operations:** Revenue was average at Rs 276 crore in fiscal 2025, marked by 3-year compounded revenue de-growth of 2%, constrained by full capacity utilization and moderation in realizations. Revenue in the first half of fiscal 2026, was estimated at Rs 154 crore against Rs 136 crore during the same period in fiscal 2025. Operating margin of 10.2% in fiscal 2025, sustained at around 10% in the first half of fiscal 2025. Improvement in scale of operations driven by revenue growth is a key rating sensitivity factor.

**Exposure to volatility in raw material prices:** The group manufactures corrugated boxes from kraft paper, prices of which are highly volatile. Operating margin has remained in the range of 10-12% during the last three fiscal ended March 31, 2025. As raw material cost forms 65-70% of the cost of sales, operating margin remains susceptible to any sharp fluctuations in raw material prices, thus, making cost passthrough crucial amid intense competition.

#### Liquidity Adequate

Bank limit remained unutilised over the 12 months through June 2025. Expected cash accrual of over Rs.20 crore should be sufficient for term debt obligations of Rs 2-8 crore in fiscal 2027 onwards and the surplus will aid working capital requirement. Current ratio was healthy at 5.3 times as on March 31, 2025. Healthy free cash and bank balance of Rs 69

crore on March 31, 2025 cushion promoter's contribution in ongoing capex.

#### **Outlook** Stable

Crisil Ratings believes WPL will continue to benefit from the extensive experience of its promoter in the packaging business.

#### **Rating sensitivity factors**

##### **Upward factors:**

- Substantial and sustained growth in revenue and a stable operating margin, leading to net cash accrual of over Rs 25 crore
- Efficient working capital cycle and sustenance of financial risk profile.

##### **Downward factors:**

- Sharp decline in revenue or operating margin falling by more than 200 bps, resulting in lower-than-expected net cash accruals.
- Increase in working capital requirement or larger-than-expected debt-funded capital expenditure or acquisition or huge dividend payout or significant support to group entities, weakening the financial risk profile and liquidity

#### **About the Group**

WPL was incorporated by the promoter, Mr. Raminder Chadha in 1996. The Indore (Madhya Pradesh)-based company manufactures corrugated boxes. It is listed on the National Stock Exchange of India Ltd. The subsidiaries, Worth Wellness Private Limited and Yash Packers are in the same line of business. In December 2024, the Company acquired the shares of Worth Wellness Private Limited making it a wholly owned subsidiary of company.

#### **Key Financial Indicators (Combined & Crisil Ratings adjusted)**

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	276.02	242.93
Reported profit after tax	Rs crore	17.34	16.32
PAT margins	%	6.28	6.72
Adjusted Debt/Adjusted Net worth	Times	0.10	0.05
Interest coverage	Times	14.34	15.40

**Any other information:** Not applicable

#### **Note on complexity levels of the rated instrument:**

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### **Annexure - Details of Instrument(s)**

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	7.00	NA	Crisil BBB+/Stable
NA	Non-Fund Based Limit	NA	NA	NA	0.18	NA	Crisil A2
NA	Proposed Term Loan	NA	NA	NA	3.00	NA	Crisil BBB+/Stable

#### **Annexure – List of entities consolidated**

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Worth Peripherals Limited	100%	Parent company
Worth Wellness Private Limited	100%	Wholly owned subsidiary
Yash Packers	100%	50% subsidiary

#### **Annexure - Rating History for last 3 Years**

		Current		2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	10.0	Crisil BBB+/Stable		--	23-08-24	Crisil BBB+/Stable	26-05-23	Crisil BBB+/Stable	28-02-22	Crisil BBB+/Stable	Crisil BBB+/Stable
Non-Fund Based Facilities	ST	0.18	Crisil A2		--	23-08-24	Crisil A2	26-05-23	Crisil A2	28-02-22	Crisil A2	Crisil A2

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	7	HDFC Bank Limited	Crisil BBB+/Stable
Non-Fund Based Limit	0.18	HDFC Bank Limited	Crisil A2
Proposed Term Loan	3	Not Applicable	Crisil BBB+/Stable

#### Criteria Details

Links to related criteria
<a href="#">Basics of Ratings (including default recognition, assessing information adequacy)</a>
<a href="#">Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)</a>
<a href="#">Criteria for consolidation</a>

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