

## Press Release

Vibrant Coflab Private Limited

December 13, 2019

Rating Withdrawn



Total Bank Facilities Rated*	Rs. 23.00 Cr.
Long Term Rating	ACUITE B (Withdrawn)

\* Refer Annexure for details

### Rating Rationale

Acuite has withdrawn its long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs.23.00 crore bank facilities of Vibrant Coflab Private Limited (VCPL). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC from the Bankers.

Vibrant Coflab Private Limited (VCPL) was incorporated in 2013 is Ahmedabad based company promoted by Mr. Pawan Satyanarain Jalan and Mr. Bijay Agrawal amongst others. The company is engaged in manufacture of grey fabric for which commercial production has started from November 2016.

### Key Rating Drivers

#### Strengths

- Experienced management**

VCPL is an Ahmedabad-based company engaged in the manufacture of grey fabric. The company was promoted by Mr. Pawan Jalan, Ms. Kavita Jalan, Mr. Dineshkumar Bansal and Mr. Bijaykumar Agarwal who possess experience of over three decades in the textile industry.

#### Weaknesses

- Moderate financial risk profile**

The financial risk profile of VCPL is moderate marked by moderate net worth, debt protection metrics and leverage ratios. The tangible net worth of VCPL stood at Rs.23.87 crore as on 31 March, 2019 as against Rs. 18.74 crore as on 31 March 2018. The gearing (debt-equity) stood high at 2.60 times as on 31 March 2019 as against 1.61 times in the previous year. The total debt of the company as on 31 March 2019 stood at Rs.62.13 crore as on 31 March, 2019 comprises of unsecured loans of Rs.13.66 crore, working capital limits of Rs.12.96 crore and term loan outstanding of Rs.35.51 crore. The coverage indicators stood healthy marked by interest coverage ratio (ICR) of the company at 2.48 times in FY2019 as against 3.32 times in the previous year. The debt service coverage ratio (DSCR) stood at 1.13 times in FY2019 as compared to 1.08 times in FY2018. Total outside liabilities to tangible net worth stood high at 2.98 times as on 31 March, 2019 as against 1.88 times in the previous year.

- Intense competition in the industry**

VCPL operates in a highly competitive and fragmented market with several organised and unorganised grey cloth manufacturers and traders.

### About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	79.83	73.86
PAT	Rs. Cr.	1.52	1.33

PAT Margin	(%)	1.91	1.80
Total Debt/Tangible Net Worth	Times	2.60	1.61
PBDIT/Interest	Times	2.48	3.32

#### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

#### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

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

<https://www.acuite.in/criteria-complexity-levels.htm>

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
31-Oct-2019	Cash Credit	Long Term	5.00	ACUITE B (Indicative)
	Term Loan	Long Term	18.00	ACUITE B (Indicative)
07-Aug-2018	Cash Credit	Long Term	5.00	ACUITE B (Indicative)
	Term Loan	Long Term	18.00	ACUITE B (Indicative)
23-May-2017	Cash Credit	Long Term	5.00	ACUITE B / Stable (Assigned)
	Term Loan	Long Term	18.00	ACUITE B / Stable (Assigned)

#### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE B (Withdrawn)

#### Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Disha N. Parmar Analyst - Rating Operations Tel: 022-49294054 <a href="mailto:Disha.parmar@acuite.in">Disha.parmar@acuite.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

#### About Acuite Ratings & Research:

Acuite Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating

Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

**Disclaimer:** *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.*