

## Press Release

Premier Cotspin Limited

January 08, 2019



**Rating Withdrawn**

<b>Total Instruments Rated*</b>	Rs. 8.70 Cr.
<b>Long Term Rating</b>	ACUITE B+/Stable (Withdrawn)

\* Refer Annexure for details

### Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE B+**' (**read as ACUITE B plus**) to the Rs. 8.70 crore bank facilities of Premier Cotspin Limited (PCL). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

PCL was established in 2008 by Mr. Virender Garg. The company is engaged in the spinning of cotton yarn and has installed capacity of 14 MT/day. The manufacturing facility is located at Patiala (Punjab).

### Analytical Approach

Acuité has considered the standalone financial and business risk profiles of PCL.

### About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	41.57	35.95	33.69
EBITDA	Rs. Cr.	2.08	2.49	2.57
PAT	Rs. Cr.	0.68	0.48	0.19
EBITDA Margin	(%)	5.01	6.91	7.63
PAT Margin	(%)	1.64	1.35	0.56
ROCE	(%)	6.27	5.96	5.09
Total Debt/Tangible Net Worth	Times	0.87	1.11	1.58
PBDIT/Interest	Times	5.17	4.67	3.56
Total Debt/PBDIT	Times	3.71	3.68	4.79
Gross Current Assets (Days)	Days	114	125	150

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

CARE, vide its press release dated January 03, 2018 had denoted the rating of Premier Cotspin Limited as 'CARE B/Stable; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

### Any other information

None

### Applicable Criteria

- Manufacturing entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition:<https://www.acuite.in/view-rating-criteria-17.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. Crore)	Ratings/Outlook
24-Nov-2017	Term Loan	Long Term	2.75	ACUITE B+ /Stable (Assigned)
	Cash Credit	Long Term	5.50	ACUITE B+ /Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.45	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. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.75	ACUITE B+/Stable (Withdrawn)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE B+/Stable (Withdrawn)
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.45	ACUITE B+/Stable (Withdrawn)

### Contacts

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### About Acuité Ratings & Research:

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