

Press Release

T C Spinners Private Limited

May 20, 2019

Rating Withdrawn



Total Instruments Rated*	Rs. 115.00 Cr.
Long Term Rating	ACUITE BBB (Withdrawn)
Short Term Rating	ACUITE A3+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and short term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) to the Rs. 115.00 crore bank facilities of T C SPINNERS PRIVATE LIMITED (TCSPL). The rating withdrawal is in accordance with the Acuite'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The rating is being withdrawn on account of request received from the company and NOC received from the banker.

TCSPL is engaged in the manufacturing of cotton, polyester yarn and spun sewing thread of counts ranging from 10's to 40's at Lalru, Punjab. In 2006, Mr Satia and family, promoter of Satia Industries Limited (SIL), a listed company acquired the cotton spinning facility of Euro Cotspin Limited (Division of M/s A.V. Cottex Ltd) from Punjab National Bank under the SARFAESI Act and changed the name to T C Spinners Private Limited (TCSPL). The company is currently being managed by, Mr Ajay Satia, Mr Chirag Satia, Mr R.K. Bhandari, Mr Narinder Kumar Chugh and Mr Avinash Jain.

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of TCSPL.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	254.10	171.12	157.59
EBITDA	Rs. Cr.	22.73	19.24	17.42
PAT	Rs. Cr.	1.14	0.15	1.24
EBITDA Margin	(%)	8.95	11.25	11.06
PAT Margin	(%)	0.45	0.09	0.79
ROCE	(%)	4.85	4.95	6.81
Total Debt/Tangible Net Worth	Times	1.05	0.99	1.18
PBDIT/Interest	Times	3.17	2.43	1.93
Total Debt/PBDIT	Times	4.05	4.21	5.02
Gross Current Assets (Days)	Days	155	194	225

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

None

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

- 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
05-Feb-2018	Cash Credit	Long Term	25.00	ACUITE BBB /Stable (Assigned)
15-Feb-2018	Cash Credit	Long Term	43.00	ACUITE BBB /Stable (Reaffirmed)
	Warehouse Limit	Long Term	20.00	ACUITE BBB /Stable (Assigned)
	Term Loan I	Long Term	9.46	ACUITE BBB /Stable (Assigned)
	Term Loan II**	Long Term	6.66	ACUITE BBB /Stable (Assigned)
	Term Loan III	Long Term	2.90	ACUITE BBB /Stable (Assigned)
	Term Loan V***	Long Term	6.42	ACUITE BBB /Stable (Assigned)
	Term Loan VI***	Long Term	4.36	ACUITE BBB /Stable (Assigned)
	Bill Discounting	Short Term	4.00	ACUITE A3+ (Assigned)
	Letter of Credit/Bank Guarantee	Short Term	10.00	ACUITE A3+ (Assigned)
	Proposed	Long Term	8.20	ACUITE BBB /Stable (Assigned)

*Interchangeability with PC/PCFC/EBP/EBN/EBD to the limit of Rs.5.00 crore.

**Includes one FLC of EURO 148800, issued and due in June 2019.

*** Includes one FLC of EURO 1076400, issued and due in December 2018 and FLC for EURO 272700 issued and due in March 2020

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	43.00	ACUITE BBB (Withdrawn)
Warehouse Limit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BBB (Withdrawn)
Term Loan I	Not Applicable	Not Applicable	Not Applicable	9.46	ACUITE BBB (Withdrawn)
Term Loan II**	Not Applicable	Not Applicable	Not Applicable	6.66	ACUITE BBB (Withdrawn)
Term Loan III	Not Applicable	Not Applicable	Not Applicable	2.90	ACUITE BBB (Withdrawn)
Term Loan V***	Not Applicable	Not Applicable	Not Applicable	6.42	ACUITE BBB (Withdrawn)
Term Loan VI***	Not Applicable	Not Applicable	Not Applicable	4.36	ACUITE BBB (Withdrawn)
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A3+ (Withdrawn)
Letter of Credit/Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A3+ (Withdrawn)
Proposed	Not Applicable	Not Applicable	Not Applicable	8.20	ACUITE BBB (Withdrawn)

*Interchangeability with PC/PCFC/EBP/EBN/EBD to the limit of Rs.5.00 crore.

**Includes one FLC of EURO 148800, issued and due in June 2019.

*** Includes one FLC of EURO 1076400, issued and due in December 2018 and FLC for EURO 272700 issued and due in March 2020

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About Acuite Ratings & Research:

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