

Press Release

PG Industries

February 26, 2019

Rating Withdrawn

Total Instruments Rated*	Rs. 8.00 Cr.
Long Term Rating	ACUITE BB (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB**' (read as **ACUITE double B**) to the Rs. 8.00 crore bank facilities of PG Industries (PGI). 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The rating is being withdrawn on account of request received from the company and NOC received from the banker.

PGI is a Tamil Nadu based firm established by partners, Mr. Pravin V Gandhi, Ms. Nirupama U Gandhi and Mr. Pranay Gandhi in 2007. The firm manufactures stainless steel straps and bands at Hosur (Tamil Nadu) and has capacity of 24 lakh (stainless steel watch straps and bands) and 18 lakh (ion coated watch straps and bands) respectively per annum.

Analytical Approach

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

About the Rated Entity Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	21.41	18.35	21.27
EBITDA	Rs. Cr.	2.47	2.04	2.29
PAT	Rs. Cr.	0.48	0.51	0.26
EBITDA Margin	(%)	11.55	11.11	10.75
PAT Margin	(%)	2.26	2.77	1.24
ROCE	(%)	12.34	12.54	26.33
Total Debt/Tangible Net Worth	Times	2.91	1.40	1.69
PBDIT/Interest	Times	2.36	2.22	1.80
Total Debt/PBDIT	Times	4.06	3.13	3.18
Gross Current Assets (Days)	Days	150	170	139

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

None

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
28-Mar-2018	Cash Credit	Long Term	6.00	ACUITE BB /Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BB /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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité 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.

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