

Press Release

SILKON SYNTHETICS AND COTTON DYEING PRIVATE LIMITED

November 11, 2019



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 10.00 Cr.
Long Term Rating	ACUITE BB Withdrawn - Indicative

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) on the Rs. 10.00 crore bank facilities of SILKON SYNTHETICS AND COTTON DYEING PRIVATE LIMITED (SSCD).

The rating has been withdrawn on account of request received from the company and NOC received from the banker.

Silkon Synthetics and Cotton Dyeing Private Limited (SSCD) was incorporated in 2004 by Mr. Mithalal Motilal Jain, Mr. Ashok Motilal Jain, Mr. Sumer Motilal Jain and Mr. Dilip Mithalal Jain. SSDC is engaged in the business of dyeing of yarn on job work basis for others as well as for own selling, sizing of fabrics on job work for others and sale of fabrics in both cotton and synthetics segments. The manufacturing facility is located at Bhiwandi (Maharashtra) with an installed capacity of 23,00,000 Kgs for yarn dyeing and 6,00,000 Kgs for sizing per annum.

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>

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	26.37	23.54	24.21
EBITDA	Rs. Cr.	2.94	2.82	3.39
PAT	Rs. Cr.	0.54	0.80	1.09
EBITDA Margin	(%)	11.13	11.99	14.01
PAT Margin	(%)	2.06	3.38	4.51
ROCE	(%)	9.35	9.99	13.87
Total Debt/Tangible Net Worth	Times	1.26	1.13	0.41
PBDIT/Interest	Times	2.18	2.42	3.70
Total Debt/PBDIT	Times	4.32	3.75	1.62
Gross Current Assets (Days)	Days	274	280	241

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

Not Applicable

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-Aug-2019	Cash Credit	Long Term	6.00	ACUITE BB (Indicative)
	Proposed Bank Facility	Long Term	4.00	ACUITE BB (Indicative)
29-May-2018	Cash Credit	Long Term	6.00	ACUITE BB/Stable (Assigned)
	Proposed Bank Facility	Long Term	4.00	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. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB (Withdrawn)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB (Withdrawn)

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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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