

Press Release

Jolly Spinners Private Limited

August 27, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 25.00 Cr.
Long Term Rating	ACUITE BBB- (Withdrawn)

#Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) on the Rs. 25.00 crore bank facilities of Jolly Spinners Private Limited (JSPL). 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The rating is being withdrawn on account of request received from the company and NOC from the banker.

Part of the Jolly Group, Jolly Spinners Private Limited (JSPL) was incorporated in 2011 by Mr. Ramzan Vajirali Halani and Mr. Chirag Bharatkumar Sejpal. It is engaged in the trading of yarn and cotton bales in Gujarat. The group consists of two other companies viz. Jolly Enterprise and Jolly Spinning Mills Private Limited that are engaged in cotton ginning, spinning, trading and export of cotton bales and yarn.

Analytical approach

Acuité has consolidated the business and financial risk profiles of Jolly Spinners Private Limited, Jolly Enterprise and Jolly Spinning Mills Private Limited together referred to as the 'Jolly Group' to arrive at the rating. The consolidation is in view of similarities in the lines of business, operational and financial synergies and common management.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	401.49	382.04	243.88
EBITDA	Rs. Cr.	14.78	15.16	15.07
PAT	Rs. Cr.	3.14	3.46	(0.41)
EBITDA Margin	(%)	3.68	3.97	6.18
PAT Margin	(%)	0.78	0.91	(0.17)
ROCE	(%)	7.84	6.77	5.93
Total Debt/Tangible Net Worth	Times	1.82	1.89	2.11
PBDIT/Interest	Times	2.57	3.19	3.29
Total Debt/PBDIT	Times	4.46	4.66	4.98
Gross Current Assets (Days)	Days	83	71	102

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

None

Any other information

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

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-6.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-4.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>
- Consolidation of Companies: <https://www.acuite.in/view-rating-criteria-22.htm>

Note on complexity levels of rated instrument

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-July-2018	Cash Credit	Long Term	25.00	ACUITE BBB- / 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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BBB- (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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