

Press Release

Jolly Enterprise

August 27, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 12.00 Cr. #
Long Term Rating	ACUITE BBB- (Withdrawn)

#Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 12.00 crore bank facilities of Jolly Enterprise (JE). The rating withdrawal is in accordance with Acuite'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The rating is being withdrawn on account of request received from the company and NOC from the banker.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 Enterprises, was established in 1997 by Mr. Ramzan Vajirali Halaniand and Mr. Bharatkumar Sejjal. It is engaged in the trading of cotton yarn, cotton bales and ginning in Gujarat. The group consists of two other companies viz. Jolly Spinning Mills Private Limited and Jolly Spinners Private Limited that are engaged in cotton yarn spinning, trading and export of cotton bales and yarn.

Analytical approach

Acuite 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 the 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

Acuite 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
04-July-2018	Cash Credit	Long Term	12.00	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	12.00	ACUITE BBB- (Withdrawn)

Contacts

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About Acuité Ratings & Research:

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