

Press Release

Unique International Private Limited

July 12, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 10.00 Cr.
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuité has assigned short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.10.00 crore bank facilities of Unique International Private Limited.

Unique International Pvt Ltd (UIPL) was established as a proprietorship firm in 1981 under the name of 'Unique'. Later, the constitution changed to Private limited in 1989 under the new name. Currently, the company is headed by Mr. Vikash Agarwal, Ms. Priti Agarwal, Mr. Praveen Agarwal, and Mr. Rohit Surana. The company is involved in manufacturing of handbags, wallets and other accessories. The company has two manufacturing facilities in Kolkata (West Bengal). The finished products are exported, largely to European countries, some to Australia as well.

Key Rating Drivers

Strengths

- **Long track record of operation**

UIPL, a Kolkata based company was established in 1989. The company has a long track record of operations with over two decades. The Directors have more than two decades of experience in the leather industry.

Weaknesses

- **Small scale of operations**

The scale of operations is small with revenue of Rs.33.68 crore in FY2017 as against Rs.19.93 crore in FY2016 despite the long track record of operations. For FY2017, the company reported PAT of Rs.0.85 crore on operating income of Rs. 33.68 crore. The company reported operating revenue of Rs.33.10 crore in FY2018 (Provisional). The EBITDA margin stood at 7.51 percent in FY2017 as against 11.98 percent in the year earlier. The PAT margin stood at 2.54 percent in FY2017 which declined from 5.60 percent in FY2016.

- **Working capital intensive operations**

The company's operations are working capital intensive in nature as reflected in Gross Current Assets (GCA) of 199 days in FY2016-17 as against 315 days in FY2015-16. These high GCA days emanates from high inventory holding period of 110 days in FY2017. The operations are expected to remain working capital intensive, as the company is engaged in manufacturing of leather hides and leather upholstery which require long processing cycle. The company on an average maintains inventory of around 110 days and above.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of UIPL to arrive at this rating.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	33.68	19.93	20.54
EBITDA	Rs. Cr.	2.53	2.39	2.15
PAT	Rs. Cr.	0.85	1.12	0.57
EBITDA Margin	(%)	7.51	11.98	10.47
PAT Margin	(%)	2.54	5.60	2.78
ROCE	(%)	4.87	4.82	10.15
Total Debt/Tangible Net Worth	Times	0.34	0.21	0.27
PBDIT/Interest	Times	3.48	3.47	2.66
Total Debt/PBDIT	Times	3.65	2.19	3.13
Gross Current Assets (Days)	Days	199	315	328

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4

Contacts

Analytical	Rating Desk
Suman Chowdhury President - Rating Operations Tel: 022-67141107 suman.chowdhury@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Debalina Maity Analyst - Rating Operations Tel: 033-66201212 debalina.maity@acuiteratings.in	

About Acuité Ratings & Research:

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