

Press Release

Cool Caps Industries Private Limited

November 16, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 11.70 Cr.
Long Term Rating	ACUITE B- / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B-**' (read as **ACUITE B minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 11.70 crore bank facilities of Cool Caps Industries Private Limited. The outlook is '**Stable**'.

Cool Caps Industries Private Limited (CC IPL) was incorporated in the year of 2017 by Mr. Rajeev Goenka, Ms. Poonam Goenka, Mr. Arun Gourisaria and Mr. Vanshay Goenka. The company is engaged in manufacturing of plastic bottle caps with the installed capacity of 72 crore pcs p.a. The company has its registered office located at Kolkata, West Bengal.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of CC IPL to arrive at the rating.

Key Rating Drivers:

Strengths

- **Experienced management**

The directors of CC IPL have more than two decades of experience in plastic industry. This experience has resulted in establishing healthy relationship with the customers.

Weaknesses

- **Nascent stage of operation**

The company was incorporated in 2017. Hence, the company has limited track record of operations. The company has reported operating income of Rs. 14.02 crore in FY2018 as against Rs.0.06 crore for FY2017. Company has booked Rs.8.90 crore till September 2018.

- **Below average financial risk profile**

The below average financial risk profile of the company is marked by low Networth, high gearing and moderate debt protection metrics. The net worth of the company stood low at Rs.2.52 crore in FY2018 as compared to Rs.1.06 crore in FY2017, mainly on account of retention of current year profit. The gearing of the company stood high at 1.80 times in FY2018 as compared to 2.23 times in FY2017. The interest coverage ratio (ICR) of the company stood moderate at 2.41 times in FY2018. The debt service coverage ratio (DSCR) of the company stood healthy at 2.35 times in FY2018. The net cash accruals against the total debt stand low at 0.08 times in FY2018.

Outlook: Stable

Acuite believes the outlook on CC IPL will remain stable over the medium term backed by its experienced management and healthy relations with its customer and suppliers. The outlook may be revised to 'Positive' in case the company registers more than envisaged sales and profitability while efficiently managing its working capital cycle and improving its financial risk profile. The outlook may be revised to 'Negative' in case of the company fails to achieve envisaged revenue and profitability.

and its working capital cycle gets stretched or its financial risk profile deteriorates.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	14.02	0.06
EBITDA	Rs. Cr.	1.57	-0.13
PAT	Rs. Cr.	0.22	-0.16
EBITDA Margin	(%)	11.20	-198.27
PAT Margin	(%)	1.58	-255.64
ROCE	(%)	7.39	-2.84
Total Debt/Tangible Net Worth	Times	4.55	9.52
PBDIT/Interest	Times	2.41	-22.88
Total Debt/PBDIT	Times	7.14	-83.23
Gross Current Assets (Days)	Days	138	7763

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>
- Infrastructure Entities - <https://www.acuite.in/criteria-infra.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/criteria-fin-ratios.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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B-/ Stable (Assigned)
Term Loan	Not Applicable	Not Applicable	Not Applicable	9.50	ACUITE B-/ Stable (Assigned)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.20	ACUITE A4 (Assigned)

Contacts:

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About Acuité Ratings & Research:

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