

RATING RATIONALE

1 Oct 2019

Acme Yarns Pvt Ltd

Brickwork Ratings Revises /Reaffirms the ratings for the Bank Loan Facilities of ₹ 6.34 Crores of Acme Yarns Pvt Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (May 14)	Present
Fund based Term Loan	2.59	2.59	Long Term	BWR B Outlook:Stable (Pronounced as BWR Single B)	BWR B- /Stable (Downgraded) Issuer Not Co-operating*
Cash Credit/ODBD (90 Days)	3.75	3.75	Long Term/Short Term	BWR B/BWR A4 Outlook:Stable (Pronounced as BWR Single B)/(Pronounced as BWR A Four)	BWR B-(Stable)/ BWR A4 (Downgraded)/ (Reaffirmed) Issuer Not Co-operating*
Total	6.34	6.34	₹ Six Crores and thirty Four Lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings .RNR on 31 March 2017

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating of Bank Loan Facilities (Long Term) of the company have been downgraded to BWR B-(Stable) from BWR B(Stable), (Previous Rating) and Short term facilities have been reaffirmed at BWR A4 i.e at same level under 'Issuer Not Cooperating' category because the company has not provided any information/papers and banker has not responded to our various communications regarding conduct of account.



The Outlook has been reaffirmed as stable due to positive outlook of textile sector in the medium term, in which the entity is operating.

BWR took up with the issuer consistently to provide required information over emails dated August 22 2019, August 23 2019, August 26 2019, August 27 2019 and Sep 20 2019 and telephonic communication. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 13	FY 12
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	17.39	13.23
EBIDTA	₹ Cr	1.10	1.16
PAT	₹ Cr	0.40	-0.21
Tangible Networth	₹ Cr	1.19	0.60
Total Debt : TNW	Times	7.03	12.61
Current Ratio	Times	3.14	1.30



COMPANY PROFILE(Information as available in May 2014)

Acme Yarns Private Ltd. (AYPL), incorporated as private limited company in the year 2010, is engaged in the manufacturing and trading of Cotton Yarns. AYPL has its registered office at Raipur, Ahmedabad and manufacturing unit at Changodhar, Ahmedabad, Gujarat. AYPL is promoted by Acme group which consists of various business units under the name of Acme International Ltd (flagship company of the group, engaged in the business of Exports of Yarn), Acme Cotsyn Pvt. Ltd. (engaged in the manufacture of Denim Grey Cloth) and by Mr. Jitendrakumar Lalbhai & Mr. Nilesh Lalbhai. The promoters and the other group concerns are predominantly engaged into the business of Trading in Cotton, Trading in Grey Cloth, Trading in Yarn, Indenting for Cotton & Grey products (Export), Manufacture of Grey (Cotsyn), Master Manufacturing of Yarns using the facility of Mafatlal Industries Nadiad and Export of Yarns & Cloth. Acme Yarns Pvt. Ltd has been promoted to setup yarn manufacturing facility as a part of “Backward-Forward Integration” Strategy for the Acme Group. For this, the group has purchased from Supernova Exim Pvt. Ltd. its existing Facility in form of Land, Building and Plant & Machinery located at Changodhar. The said unit is spread across 9980 sq. mtrs and construction area of appx 1000 sq. mtrs. Currently the Plant & Machinery consist of 12500 spindles. This facility is capable of producing 160 Tonne per month of yarn at 92% utilization in 2 shifts. The key management personnel are Mr Jitendra Lalbhai, Mr Nilesh Lalbhai and Mr rahul Jitendra Shah.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY-NA

RATING HISTORY

S.No	Instrument /Facility	Current Rating			Rating History		
		Type	Amount (₹ Cr)	Rating^	31.03.2017	26.05.2014	2013
1)	Fund based Term Loan	Long Term	2.59	BWR B- /Stable (Downgraded) Issuer Not Co-operating	Rating Not Reviewed	BWR B Outlook:Stable (Pronounced as BWR Single B)	Not Rated
2)	Cash Credit/ ODBD (90 Days)	Long Term/ Short Term	3.75	BWR B-/BWR A4 /Stable (Downgraded) /(Reaffirmed) Issuer Not Co-operating		BWR B/BWR A4 Outlook:Stable (Pronounced as BWR Single B)/(Pronounced as BWR A Four)	
Total			6.34	₹ Six Crores and Thirty Four Lakhs Only			

^Issuer did not co-operate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I

Acme Yarns Pvt Ltd

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1)	Central Bank Of India	Term Loan	2.59	-	2.59
		Cash Credit/ ODBD	3.75	-	3.75
TOTAL					6.34

Total Rupees Six Crores and Thirty Four Lakhs only.

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP) DETAILS

Instrument	Issue Date	Amount in ₹ Cr	Coupon Rate	Maturity Date	ISIN Particulars
NA	NA	NA	NA	NA	NA

ANNEXURE III

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons