



## Press Release

**Primacy Industries Private Limited (“PIPL”)**

**July 18, 2024**

### Ratings

Facilities/ Instruments	Amount (Rs. Cr.)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long term fund-based bank facilities	82.38	IVR BB+/Negative; ISSUER NOT COOPERATING*  (IVR Double B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB- /Stable  (IVR Triple B minus with Stable Outlook)	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Total Bank Facilities	82.38	(Rupees eighty-two crore thirty-eight lakh only)			
Optionally Convertible Debentures	28.80	IVR BB+/Negative; ISSUER NOT COOPERATING*  (IVR Double B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB- /Stable  (IVR Triple B minus with Stable Outlook)	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Compulsory Convertible Debentures	5.33	IVR BB+/Negative; ISSUER NOT COOPERATING*  (IVR Double B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB- /Stable  (IVR Triple B minus with Stable Outlook)	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Total Debt Facilities	34.18	(Rupees Thirty-four crore and eighteen lakh only)			
Total Rated Amount	116.51	(Rupees One hundred sixteen crores and fifty-one lakh only)			

\* Issuer not cooperating; Based on best available information



## Press Release

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### **Detailed Rationale-**

Infomerics has downgraded and migrated the ratings of Primacy Industries Private Limited to 'Issuer Not Cooperating' category due to lack of adequate information and the uncertainty around its credit risks. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

### **Non-Cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank and debt facilities, vide mail communications dated May 31, 2024; June 10, 2024; June 14, 2024; June 22, 2024; July 9, 2024 July 13, 2024; July 15, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the ratings based on the best available information.

Accordingly, the Long-term ratings of the bank loan and debt facilities aggregating to Rs. 116.51 crore of PIPL shall be remain under the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BB+; ISSUER NOT COOPERATING' with Negative Outlook based on best available information.

**Analytical Approach:** Standalone Approach

**Applicable Criteria:**

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing Companies](#)



## Press Release

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Default Recognition](#)

[Guidelines on what constitute Non-Cooperation by clients](#)

[Complexity Level of Rated Instruments/Facilities](#)

### About the Company

Primacy Industries Private Limited (PIPL) was incorporated in 2004. The company is engaged in production of perfumed designer candles such as scented decorative wax candles, aerosols, personal care and home care products of different varieties. The Company has two units manufacturing coloured scented candles, one at Baikampady Industrial Area, Mangalore and the other at Gandhi Dham, Gujarat. The Company has two factories manufacturing aerosol products at Baikampady Industrial Area, Mangalore. Three units are registered as 100% export-oriented units and the fourth unit is to cater to the domestic market.

### Financials (Standalone)\*:

For the year ended / As on	(Rs. Crore)	
	31-Mar-2022 (Audited)	31-Mar-2023 (Provisional)
Total Operating Income	353.79	418.29
EBITDA	-10.47	27.24
PAT	-311.35	11.20
Total Debt	160.75	142.63
Adjusted Tangible Net Worth	203.83	249.08
EBITDA Margin (%)	-2.96	6.51
PAT Margin (%)	-84.77	2.62
Interest Coverage Ratio (x)	-0.45	2.27
Overall Gearing Ratio (x)	0.79	0.57

\* Classification as per Infomerics standards.

**Status of non-cooperation with previous CRA: None**

**Any other information: None**



## Press Release

Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount Outstanding (Rs. Cr.)	Rating	Date(s) & Rating (s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
	PR Date				Aug 16, 2023		
1	Fund based bank facility - Term Loan	Long Term	51.17	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB-/Stable	--	--
2	Fund based bank facility - FITL	Long Term	4.20	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB-/Stable	--	--
3	Fund based bank facility - WCTL	Long Term	27.01	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB-/Stable	--	--
4	Debt Facility – OCD	Long Term	28.80	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB-/Stable	--	--
5	Debt Facility– CCD	Long Term	5.33	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB-/Stable	--	--

\* Issuer not cooperating; Based on best available information

OCD: Optionally Convertible Debentures; CCD: Compulsory Convertible Debentures

### Name and Contact Details of the Rating Analyst:

Name: Jyotsna Gadgil Tel: (020) 29913006 Email: <a href="mailto:jyotsna.gadgil@infomerics.com">jyotsna.gadgil@infomerics.com</a>	Name: Priyesh Joshi Tel: (022) 62396023 Email: <a href="mailto:priyesh.joshi@infomerics.com">priyesh.joshi@infomerics.com</a>
--	---



## Press Release

### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.





## Press Release

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term loan	-	-	March 2027	28.85	IVR BB+/Negative; ISSUER NOT COOPERATING*
Term loan	-	-	March 2027	13.46	IVR BB+/Negative; ISSUER NOT COOPERATING*
Term loan	-	-	March 2024	8.86	IVR BB+/Negative; ISSUER NOT COOPERATING*
FITL	-	-	March 2024	0.45	IVR BB+/Negative; ISSUER NOT COOPERATING*
FITL	-	-	March 2024	0.22	IVR BB+/Negative; ISSUER NOT COOPERATING*
FITL	-	-	March 2024	2.32	IVR BB+/Negative; ISSUER NOT COOPERATING*
FITL	-	-	March 2024	1.21	IVR BB+/Negative; ISSUER NOT COOPERATING*
WCTL	-	-	March 2027	27.01	IVR BB+/Negative; ISSUER NOT COOPERATING*
Optionally Convertible Debenture (OCD)	-	-	March 2028	28.80	IVR BB+/Negative; ISSUER NOT COOPERATING*
Compulsorily Convertible Debentures (CCDs)	-	-	Sept. 2023	5.33	IVR BB+/Negative; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-Primacy-july24.pdf>

### Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:

Name of the Instrument		Detailed Explanation
<b>Financial Covenant</b>		
1	Debt/ EBITDA	Financial Year 2022-2023 and Financial Year 2023-2024 maximum up to 3.0. Financial Year 2024-2025 onwards maximum up to 2.0x.
2	Debt/TNW	Financial Year 2022-2023 onwards maximum up to 0.50x
3	DSCR	Minimum level of 1.3x [incl. Facility OCD scheduled repayments]
4	Current Ratio	Minimum level of 1.3x each year
<b>Non-financial Covenant</b>		



## Press Release

	--	--
--	----	----

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

