

## Panasian Impex Private Limited

Instrument	Amount	Rating Action
Fund Based Limit – Untied limits	Rs. 5.00 crore	[ICRA]B+ reaffirmed
Fund Based Limits – Pre shipment Credit	Rs. 20.00 crore	[ICRA]A4 reaffirmed
Fund Based Limits – Post shipment Credit	Rs. 20.00 crore	[ICRA]A4 reaffirmed
Non-Fund Based Limits – Letter of Credit	Rs. 2.00 crore	[ICRA]A4 reaffirmed
Non-Fund Based Limits – Bank Guarantee	Rs. 1.00 crore	[ICRA]A4 reaffirmed
Non-Fund Based Limits – Forward Contract	Rs. 1.14 crore	[ICRA]A4 reaffirmed
Non-Fund Based Limits – Untied limits	Rs. 0.36 crore	[ICRA]A4 reaffirmed

ICRA has reaffirmed the long term rating of [ICRA]B+ (pronounced ICRA B plus) assigned to the Rs. 5.00 crore<sup>1</sup> untied limits of Panasian Impex Private Limited (PIPL)<sup>2</sup>. ICRA has also reaffirmed the short term rating of [ICRA]A4 (pronounced ICRA A four) assigned to the Rs. 44.50 crore fund based and non-fund based facilities of PIPL.

The reaffirmation of the ratings take into account weak financial profile of the company characterised by low profitability and a leveraged capital structure, leading to depressed level of coverage indicators. The ratings also take into account the vulnerability of the company's scale of operations as well as profitability to adverse changes in government policies towards export of cotton and minimum support price (MSP), which is revised from time to time. The ratings are also constrained by low entry barriers in the highly fragmented cotton-trading business, leading to intense competition and pressure on the margins. ICRA also notes that the margins of PIPL remain susceptible to fluctuation in cotton prices, which in turn is subject to seasonality and crop harvest. The rating also factors in the company's high dependence on exports to Bangladesh, which accounted for a major portion of the total export sales during FY2016.

The ratings, however, derive comfort from the long experience of the promoters in the textile and cotton-trading business, and favourable location of PIPL's plant, which provides easy access to raw materials at low landed cost.

Going forward, the ability of the company to efficiently manage its working capital and increase revenues and margins will remain the key rating sensitivity from the credit perspective.

### Company Profile

Panasian Impex Private Limited (PIPL) was incorporated in September 2008 and is managed by Mr. Santosh Kumar Goenka and Mr. Shyamal Bhattacharjee, who have extensive experience in the textile and cotton-trading business. The company is primarily involved in export of raw cotton. PIPL has a ginning and pressing factory located in Malkapur, Maharashtra and became operational in December 2009. The unit has an installed capacity of 42 double-roller gins and an annual ginning and pressing capacity of 50,000 bales.

### Recent Results

During FY2016, the company reported a net profit of Rs. 0.17 crore (provisional) on an operating income (OI) of Rs. 115.35 crore (provisional) as compared to a net loss of Rs. 0.58 crore on an operating income of Rs. 107.06 crore during FY2015.

**August 2016**

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

**For further details please contact:**

**Analyst Details:**

<b>Mr. Jayanta Roy</b> , (Tel. No. +91-33-22876617 / 22800008) jayanta@icraindia.com	<b>Sandipan Kumar Das</b> +91 33 7150 1190 sandipan.das@icraindia.com	<b>Sujoy Saha</b> +91 33 7150 1184 sujoy.saha@icraindia.com
---	---	---

**Relationship Contact:**

<b>Mr. Jayanta Chatterjee</b> (Tel. No. +91-80-43326401) jayantac@icraindia.com
--

© Copyright, 2016, ICRA Limited. All Rights Reserved  
Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500