

## Rating Rationale

**Aditi Chains Pvt.Ltd.**

**20th March 2017**

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Aditi Chains Pvt.Ltd. (ACPL)**

### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based</b>			
<b>Overdraft Cash credit</b>	<b>10.00</b>	<b>Long Term</b>	<b>BWR B+ (Pronounced BWR B plus) Outlook: Stable</b>
<b>Book Debts(Sublimit)</b>	<b>(6.00)</b>		
<b>Total</b>	<b>Rs. 10.00 Crores (Rupees Ten Crores Only)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results of FY16 and projected financials up to FY18 and publicly available information/clarifications provided by the company.

The ratings draw strength from the extensive industry experience of the promoters' in the jewellery business, established supplier relationships and the strong market presence of the company in an advantageous location. The ratings are, however, constrained by company's low track record, fragmented nature and intense competition in the jewellery industry, vulnerability of the revenues and margins to fluctuations in the silver prices and working capital intensive nature of operations.

### Rating Outlook: Stable

BWR believes the **Aditi Chains Pvt.Ltd.** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

### About the Company

Aditi Chains Pvt.Ltd. was established on 28<sup>th</sup> March 2014, by S.R.Ravichandran in Chevapet, Salem. They are engaged in the sale of wide range of silver jewellery and leg chains called “JALRA”(Trade Name).

Mr.S.R.Ravichandran, Managing Director is a second generation jeweller. He has more than 3 decade of experience in the business. They also have two other joint directors Ms.Umarani and Mr. Senthilnathan.

### Company Financial Performance

ACPL has reported a profit after tax (PAT) of ₹0.06crs. on Net Sales of ₹29.05crs. for FY16 As per provisional financials from April’16 to December’16, they have achieved the sales of ₹112.01crs. Tangible Networth as on 31.03.16 is ₹0.07 crs

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	10.00	BWR B+	NA	NA	NA
2	Book Debts(Sublimit)		(6.00)				

### Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

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#### For print and digital media

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#### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

#### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

#### DISCLAIMER

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