Rating Rationale

Didwania Spinning Mills Pvt. Ltd.

18th April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs 10.00Crs of Didwania Spinning Mills Pvt. Ltd.

Particulars

Facility Rated	(Existing) Amount (Rs. Crs)	Tenure	Rating *
Fund Based:-		**Long Term**	**BWR B+ Outlook: Stable**
Cash Credit	**8.00**		
Non Fund Based:-		**Short Term**	**BWR A4**
Bank Guarantee	**2.00**		
Total	**Rs. 10.00 Crores (Rupees Ten Crores Only.)**		

***** Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY 2015-16 and projected financial of FY 2016-17 , publicly available information and clarification provided by the Company's management.

The rating factors,inter alia, qualified and experienced management,moderate risk profile. The rating is however constrained due to short-term liquidity stress, modest scale of operations and fluctuating profit margins .

Rating Outlook: Stable

BWR believes that the **Didwania Spinning Mills 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.

18th April 2017

About the Company

Didwania Spinning Mills Pvt Ltd was established in the year 2013, by Mr Manmohan Didwania and Mrs Anita Didwania. The company is engaged in the manufacturing & trading of fabric for home decor material like curtains, terry towels and ladies dress materials.

Company Financial Performance

As per the audited financials for FY16, company's revenue was Rs. 15.78 cr and PAT was Rs. 0.17 Cr as compared to Rs 7.81cr and Rs 0.01cr respectively in FY15. Net worth increased to Rs. 0.20Cr in FY16 as compared to Rs. 0.03 Cr in FY15. There has been a capital infusion of Rs. 4.00Cr in FY17. As provided by the management the provisional financial figures for FY17 have significantly improved.

Rating History for the last three years: (including withdrawn/suspended ratings)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	Rating in 2016	Rating in 2015	Rating in 2014
1	**Cash Credit**	**Long Term**	**8.00**	**B+**	**N/A**	**N/A**	**N/A**
2	**Letter Of Credit**	**Short Term**	**2.00**	**A4**			

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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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 Investors queries can be sent to 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.

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