Rating Rationale

Jai Matadi Dyeing & Printing Mills Private Limited

June 27, 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 7.50 Crores of Jai Matadi Dyeing & Printing Mills Private Limited

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based Cash Credit Term Loans	**7.70** 3.25 4.45	**7.50** 3.25 4.25	**Long Term**	**BWR B** Pronounced as BWR B **Outlook:Stable**	**BWR B** Pronounced as BWR B **Outlook:Stable**
Non Fund Based LC (Sublimit of Cash Credit)	**(2.00)** (2.00)	**(2.00)** (2.00)	**Short Term**	**BWR A4** Pronounced as BWR A Four	**BWR A4** Pronounced as BWR A Four
Total	**7.70**	**Rs. 7.50 Crores (Rupees Seven Crores Fifty Lakhs Only.)**			

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

Rating Reaffirmed

Brickwork Ratings reaffirms the Long term rating of ‘BWR B’ with stable outlook and short term rating of BWR A4 for the bank facilities amounting to Rs. 7.70 crores of Jai Matadi Dyeing & Printing Mills Private Limited

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financial results of FY14, FY15 and FY16, estimated financial of FY17, projected financial of FY18, publicly available information and information provided by the company/bank.

The rating reaffirmation reflects the experience of the promoter and favorable location of the dyeing unit. However, the rating is constrained by the small scale of operations, highly competitive industry and moderate financial risk profile marked by low profitability and weak debt protection metrics.

Rating Outlook: Stable

BWR believes the Jai Matadi Dyeing & Printing Mills Private Limited's 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

Jai Matadi Dyeing & Printing Mills Private Limited was incorporated in December 1997. The Company is located in Surat, Gujarat. It is into the business of dyeing man-made fabrics for third parties on a job work basis. The business of the Company is dependent on the local market of Surat.

Company Financial Performance

The company has reported revenue of Rs. 16.65 Crore and PAT of Rs. 0.12 Crore in FY16 as against revenue of Rs. 17.54 Crore and net loss of Rs. 0.32 Crore in FY15.
The company has achieved revenue of Rs. 17.90 Crs for FY17 (Unaudited)

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
	Fund Based Cash Credit Term Loans	Long Term	**7.50**	**BWR B Outlook:Stable**	**NA**	**BWR B**	**NA**
	Non Fund Based LC (Sublimit of Cash Credit)	Short Term	**(2.00)**	**BWR A4**		**BWR A4**	

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Manufacturing Companies
- Short Term Debt

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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.