Rating Rationale

Platinum Microns LLP

30 Nov 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 9.75 Crores of Platinum Microns LLP.

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	9.27	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook: (Stable)
Non Fund Based	0.48	Short Term	BWR A4 (Pronounced as BWR A Four)
Total	9.75		INR Nine Crores Seventy Five Lakhs 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 Platinum Microns LLP(PMLLP) Audited Financial Statements of FY17 & FY18 for ease in understanding and comparison. PMLLP has also provided the projected financial statements for FY19, FY20 & FY21 publicly available information and information / clarification provided by the PMLLP management.

The ratings assigned to the bank facilities of PMLLP draws strength from extensive experience of the promoters, projected average coverage ratios, moderate liquidity profile.

The ratings are however constrained by projected modest scale of operations, low level of TNW, declining financial risk profile, exposure to project risk, intensive competition.

Going forward the firm's ability to overcome the geographical constraints and achieve the scale of operations, profitability and also achieve the capability to service debts as projected will be the key rating sensitivities.

Description of Key Rating Drivers
Credit Strengths: **Extensive experience of the promoters:** The promoters Rakeshbhai, Hiteshbhai and Kamleshbhai have a long standing experience in the field of ceramics. **Moderate liquidity profile:** Moderate liquidity profile with the current ratio standing at 2.24x in FY18.
Credit Risks: **Low level of TNW:** The TNW stands low at Rs 5.10 Cr in FY18 which shows bare minimum rise in FY19 to Rs 5.34 Cr. **Declining financial risk profile:** The financial risk profile in terms of total debt/ TNW and the TOL/TNW is at 1.02x & 1.03x respectively in FY18 , however the same is projected to decline to 1.82x and 1.92x respectively in FY19. **Exposure to project risks:** The timely implementation of the proposed project, completion of orders, stabilisation of operations and improvement in the scale of operation and profits within the projected time frame is risky and hence under close monitoring. **Intensive competition:** The company is set up in Morbi Gujarat which is the hub for manufacturing ceramics and sodium feldspars, hence it faces a lot of competition.

Liquidity Profile: Platinum Microns LLP liquidity profile is driven by current ratio of 2.24x. Company average utilization for last 6 months stood at ~20% as the company just began with the trial run in February 2018.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes the **Platinum Microns LLP** 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 Firm

M/s Platinum Microns LLP is a limited liability partnership incorporated in February 2017 with the main objective to establish a manufacturing unit. The product to be manufactured by the LLP is NA2O Feldspar & K2O Feldspar. It is one kind of purified clay which is to be used in manufacturing of ceramic products for bringing whiteness in the ceramic tiles or other products. PMLLP is promoted by Rakeshbhai Makasana, Hitesh Aghara, Mayankkumar Kalariya, Kamlesh Kalariya, Ravi Aghara.

Firm Financial Performance

The projected coverage ratios are at an average level with the ISCR & DSCR standing at 2.75x & 1.78x respectively in FY19 as compared to 0.00x times in FY18. Against projected modest scale of operations , (operating revenue) at Rs 22.89 Cr in FY19, unit has achieved sale of Rs 1.52 Cr upto October 2018.

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		**Audited**	**Audited**
Operating Revenue	₹ Cr	0.00	0.00
EBITDA	₹ Cr	0.00	0.00
PAT	₹ Cr	0.00	0.00
Tangible Net worth	₹ Cr	5.10	0.02
Total Debt/Tangible Net worth	Times	1.02	13.00
Current Ratio	Times	2.24	1680.0

Rating History for the last three years

S.No	Facility	Current Rating(2018)			Rating History		
		Type	Amount (₹ Crs)	Rating	2017	2016	2015
1	**Fund Based**	long term	9.27	**BWR B+ (Pronounced as BWR B Plus) Outlook: (Stable)**	**NA**	**NA**	**NA**
2	**Non Fund Based**	short term	0.48	**BWR A4 (Pronounced as BWR A Four)**	**NA**	**NA**	**NA**
	Total		**9.75**	**₹ Nine Crores Seventy Five Lakhs Only**			

Status of non-cooperation with previous CRA (if applicable)- NA

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- 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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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