

August 19, 2019

Padmavati Chains Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based -Cash Credit	20.00	20.00	[ICRA]BB(Stable); Withdrawn
Long-term Interchangeable	(20.00)**	(20.00)**	[ICRA]BB(Stable); Withdrawn
Short-term Interchangeable	(20.00)**	(20.00)**	[ICRA]A4+; Withdrawn
Total	20.00	20.00	

*Instrument details are provided in Annexure-1

** Sub-limits within Demand Cash Credit facility

Rationale

The ratings of [ICRA]BB (pronounced ICRA double B) and [ICRA]A4+ (pronounced ICRA A four plus) have been withdrawn in accordance with ICRA's policy on withdrawal and suspension and as desired by the company and also based on the no objection certificate provided by the banker. ICRA does not have requisite information to suggest any change in the credit risk since the time the rating was last reviewed.

Outlook: Not Applicable

Key rating drivers:

Key Rating drivers have not been captured as the rated instrument(s) are being withdrawn.

Liquidity Position: Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology
Parent/Group Support	N.A.
Consolidation / Standalone	N.A.

About the company:

Incorporated as a private limited company on 30th November 2010 by Mr. Rajendra M. Jain and Mr. Shripal M. Jain, PCPL took over the assets and liabilities of M/s. Padmavati Chains and M/s. Star Gold on 28th February 2011. Padmavati Chains Private Limited manufactures wide variety of 22 carat gold jewellery. The manufacturing of jewellery is carried out at its manufacturing facility in Byculla, Mumbai.

Key financial indicators

	FY2017	FY2018
Operating Income (Rs. crore)	102.81	216.29
PBT (Rs. crore)	0.64	0.69
OPBDIT/ OI (%)	1.57%	1.04%
RoCE (%)	8.05%	7.32%
Total Debt/ TNW (times)	1.67	1.82
Total Debt/ OPBDIT (times)	11.28	9.35
Interest Coverage (times)	1.16	1.79
NWC/ OI (%)	27%	15%

Source: Financial statements of PCPL and ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

		Current Rating (FY2020)					
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating Aug-19	Date & Rating in FY2019 Jan-19	Date & Rating in FY2018 Oct-17	Date & Rating in FY2017 Aug-16
1 Demand Cash Credit	Long -Term	20.00	-	[ICRA]BB (Stable) withdrawn	[ICRA]BB (Stable)	[ICRA]BB+ (Negative)	[ICRA]BB+ (Stable)
2 Metal Gold Loan	Long -Term	20.00	-	[ICRA]BB (Stable) withdrawn	[ICRA]BB (Stable)	[ICRA]BB+ (Negative)	[ICRA]BB+ (Stable)
3 EPC/ PCFC	Long -Term	05.00		[ICRA]BB (Stable) withdrawn	[ICRA]BB (Stable)	[ICRA]BB+ (Negative)	[ICRA]BB+ (Stable)
4 Bank Guarantee	Short -Term	20.00		[ICRA]A4+ withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
5 Forward Contract	Short -Term	0.45		[ICRA]A4+ withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Demand Cash Credit	-	-	-	20.00	[ICRA]BB(Stable) withdrawn
NA	Metal Gold Loan	-	-	-	20.00*	[ICRA]BB(Stable) withdrawn
NA	EPC/ PCFC	-	-	-	05.00*	[ICRA]BB(Stable) withdrawn
NA	Bank Guarantee	-	-	-	20.00*	[ICRA]A4+ withdrawn
NA	Forward Contract	-	-	-	0.45*	[ICRA]A4+ withdrawn

*Sub-limits within Demand Cash Credit

Source: PCPL

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