

Press Release
A & D International Private Limited

August 24, 2021



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 12.05 Cr.
Long Term Rating	ACUITE B (Withdrawn)
Short Term Rating	ACUITE A4 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE B**' (**read as ACUITE B**) and the short-term rating to '**ACUITE A4**' (**read as ACUITE A four**) on the Rs. 12.05 Crore bank facilities of A & D International Private Limited.

The rating is being withdrawn on receipt of withdrawal request from the company and satisfaction of charges on MCA. The rating withdrawal is in accordance with the Acuité's policy on withdrawal of rating.

About the Company

A & D International Private Limited (A & D) was incorporated in 2007 by Mr. Ravi Kant Laddha, Mr. Sandeep Mundra and Mr. Girish Mehta. The company is engaged in the manufacturing of wooden furniture at Jaipur, Rajasthan.

Analytical Approach

Acuité has considered the standalone view of business and financial risk profiles of ADIPL to arrive at this rating.

Key Rating Drivers

Strengths

- **Experienced management and long track record of operations**

A & D International Private Limited is promoted by Mr. Ravi Kant Laddha, Mr. Sandeep Mundra and Mr. Girish Mehta. The company have a track record of operation of around 7 years. Although the management has decades of experience in the same industry.

Weaknesses

- **Working Capital intensive nature of operations**

Working capital operations remained intensive as observed by the GCA of 286 days in FY2021 (Provisional) as against 162 days in FY2020. However, the same is on account of inventory holding period of 182 days as in FY2021 (Provisional) against 133 days in the previous year. Further, the debtor collection period of the group stood at 104 days in FY2021 (Prov.) as against 21 days in FY2020.

- **Average Financial Risk Profile**

The financial risk profile of the company has remained on the same levels as the previous year as reflected by high gearing levels of 35.04 times as on 31st March 2021 (Prov.) as against 45.80 times in the previous year. Coverage ratios of the group have remain average with the DSCR & ICR of 1.18 times and 1.85 times in FY2021 (Provisional) and 1.31 times and 2.72 times in FY2020. Total debt of the group has increased to Rs. 26.07 crores in FY2021 (Provisional) compared to Rs. 23.44 crores in the previous year mainly due to increase in short term borrowings.

Rating sensitivity

Not applicable

Material Covenant

None

Liquidity position: Stretched

The Company has stretched liquidity marked by low net cash accruals to its maturing debt obligations. The company generated cash accruals of Rs.1.62 Crore in FY2021 (Provisional). The company's working capital operations are intensive marked by gross current asset (GCA) days of 286 days in FY2021 (Provisional). Company maintains unencumbered cash and bank balances of Rs.0.02 Crore as on 31 March 2021 (Provisional). The current ratio stands at 1.31 times as on 31 March 2021 (Provisional).

Outlook:

Not applicable

About the Rated Entity - Key Financials

	Unit	FY21 (Provisional)	FY20 (Actual)
Operating Income	Rs. Cr.	16.73	18.93
PAT	Rs. Cr.	0.24	0.86
PAT Margin	(%)	1.41	4.57
Total Debt/Tangible Net Worth	Times	35.04	45.80
PBDIT/Interest	Times	1.85	2.72

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

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
February 24, 2021	Term Loan	Long Term	11.30	ACUITE B (Indicative)
	Proposed Packing Credit	Short Term	0.75	ACUITE A4 (Indicative)
December 18, 2019	Term Loan	Long Term	11.30	ACUITE B (Indicative)

	Proposed Packing Credit	Short Term	0.75	ACUITE A4 (Indicative)
September 22, 2018	Term Loan	Long Term	11.30	ACUITE B (Indicative)
	Proposed Packing Credit	Short Term	0.75	ACUITE A4 (Indicative)

***Annexure – Details of instruments rated**

Lenders Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Canara Bank	Term Loan	Not Available	Not Available	Not Available	11.30	ACUITE B (Withdrawn)
Not Applicable	Proposed Packing Credit	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE A4 (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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