

## Press Release

**Bidhata Industries Private Limited (BIPL)**

**10 February, 2018**

### Rating Assigned

<b>Total Bank Facilities Rated*</b>	Rs. 10.73 Cr.
<b>Long Term Rating</b>	SMERA BB+/ Stable
<b>Short Term Rating</b>	SMERA A4+

*\* Refer Annexure for details*

### Rating Rationale

SMERA has assigned long term rating of '**SMERA BB+**' (read as **SMERA double B plus**) and short term rating of '**SMERA A4+**' (read as **SMERA A4 plus**) on the above mentioned Rs. 10.73 crore bank facilities of Bidhata Industries Private Limited (BIPL). The outlook is '**Stable**'.

The Mumbai based, Bidhata Industries Private Limited was incorporated by Mr. Rajendra Kumar Pachariwala and his father, Mr. Manoharlal Pachariwala in 1977. The company is engaged in the processing of gray fabrics on job work basis, primarily for Raymonds Limited.

### List of key rating drivers and their detailed description

#### Strengths

#### Established operational track record and Experienced management

BIPL was incorporated in 1977. The company is led by Mr. Rajendra Kumar Pachariwala who has experience of nearly three decades in the textile business. The company has long term relations (over 25 years ) with Raymonds Limited.

#### Moderate financial risk profile:

The company's financial risk profile is moderate marked by tangible net worth of Rs. 10.93 crore as on 31 March, 2017 compared to Rs. 9.60 crore as on 31 March, 2016. The company's adjusted gearing stood at 1.02 times as on 31 March, 2017 as against 0.32 times in the previous year. The Interest Coverage ratio stood at 2.98 times and Debt Service Coverage Ratio (DSCR) stood at 2.56 times as on 31 March, 2017. The Total Outside Liabilities/Total Net worth stood at 1.94 times as on 31 March, 2017 as against 1.36 times in the previous year.

#### Weaknesses

#### Customer concentration risk:

Since BIPL largely caters to Raymonds Limited, it is exposed to customer concentration risk.



### Analytical approach:

For arriving at the ratings, SMERA has consolidated the business and financial risk profile of Bidhata Industries Private Limited, Bidhata Garments Private Limited, Bidhata Texports Private Limited and Bidhata Fashion Private Limited together referred to as the Bidhata group. The consolidation is due to common promoters/directors and operational synergies with the group.

### Outlook – Stable

SMERA believes that the company will maintain a stable outlook in the medium term on account of the management's extensive experience in the textile industry and established relationships with customers. The outlook may be revised to 'Positive' in case of sustained increase in customer base and revenue while maintaining its working capital cycle. Conversely, the outlook may be revised to 'Negative' in case of significant decline in revenue and accruals or elongation of working capital cycle.

### About the Rated Entity – Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	91.36	82.08	74.84
EBITDA	Rs. Cr.	4.47	3.28	3.56
PAT	Rs. Cr.	1.44	0.94	1.24
EBITDA Margin	(%)	4.89	4.00	4.76
PAT Margin	(%)	1.58	1.14	1.66
ROCE	(%)	16.81	14.63	33.48
Total Debt/Tangible Net Worth	Times	1.26	0.79	0.82
PBDIT/Interest	Times	2.98	2.89	3.62
Total Debt/PBDIT	Times	2.56	2.53	3.08
Gross Current Assets (Days)	Days	85	54	48

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

None

### Any other information:

None

### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>
- Manufacturing Entities- <https://www.smera.in/criteria-manufacturing.htm>

### Note on complexity levels of the rated instrument

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

None

**Rating History (Upto last three years)**

Not Applicable

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA BB+/ Stable
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.48	SMERA BB+/ Stable
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.25	SMERA A4+

**Contacts:**

Analytical	Rating Desk
Vinayak Nayak, Head – Ratings Operations Tel: +91-22-6714 1190 Email: <a href="mailto:vinayak.nayak@smera.in">vinayak.nayak@smera.in</a>  Bhanupriya Khandelwal, Rating Analyst, Tel: +91-22-6714 1131 Email: <a href="mailto:Bhanupriya.khandelwal@smera.in">Bhanupriya.khandelwal@smera.in</a>	Varsha Bist Sr. Executive Tel: 022-67141160 Email: <a href="mailto:varsha.bist@smera.in">varsha.bist@smera.in</a>

**ABOUT SMERA**

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