

Rating Rationale

Shubhsneh Textiles Pvt Ltd.

21 April 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 21 Crores of Shubhsneh Textiles Pvt Ltd

Particulars

Facility	Previous Limits (₹ Crores)	Current Limits (₹ Crores)	Tenure	Previous Rating	Rating*
Fund Based: Cash Credit (CC)	21	21	Long Term	BWR B+ (Pronounced BWR Single B Plus) (Outlook – Stable)	BWR B+ (Pronounced BWR Single B Plus) (Outlook – Stable)
Total	21	21	(INR Twenty One Crore only)		

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

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials up to FY 16, projections up to FY 18 shared by the Company, publicly available information and information/clarification provided by the partners.

The ratings, inter alia, factor experience of the promoters in the textile industry, better performance in terms of profitability in FY 16, adequate debt protection metrics. The ratings, however, constrained by high working capital intensity of the business, muted domestic demand and concentrated customer portfolio.

Rating Outlook: Stable

BWR believes the Shubhsneh Textile Pvt Ltd'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

Shubhsneh Textiles Private Limited was incorporated in 2013 and it is primarily managed by Mr. Sudhir Kalantri who has vast experience in the textile trading business. The firm is engaged in the Cotton and Cotton Yarn trading business.

Company's Financial Performance

During the FY16, the Company managed to achieve operating income of ₹156.07 Cr as against ₹159.33 crore in FY15. PBIT stood at ₹2.33 Cr in FY16 as against PBIT of ₹ 2.34 Cr in FY15.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	FY16	FY15	FY14
1	Cash Credit	Long Term	21.00	BWR B+	-	BWR B+	-

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Companies](#)

Analytical Contacts	Media
Dinesh Mahabal GM- Ratings	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	



For print and digital media

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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.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.