

Rating Rationale

Brickwork Ratings assigns ratings of 'BWR B+' & 'BWR A4' for Bank Loan facilities aggregating ₹ 10.00 Cr of A-One Creations

Brickwork Ratings has assigned the following **Ratings**¹ for the Bank Loan facilities availed by A-One Creations (*the Firm*).

Facilities	Tenure	Limit (₹ Cr)	Rating
Fund Based			
Cash Credit	Long Term	10.00	BWR B+ (Pronounced BWR single B plus) (Outlook-Stable)
Packing credit*		(3.00)	
FDBP/FUDBP (DA/DP) (Under contract LC)*		(5.00)	
Non-Fund Based			
LC*	Short Term	(5.00)	BWR A4 (Pronounced BWR A Four)
Buyers Credit (Sub-limit of LC)		(5.00)	
Total		10.00	(INR Ten Crores Only)

* indicating sub-limit of Cash Credit

BWR has essentially relied upon the audited financials of FY13, FY14, FY15 and provisional financials of FY16 & Projections for FY17, FY18 of A-One Creations, publicly available information and information/clarification provided by the Firm's management.

The rating continues to factor in the long term experience of the partners in the garment trading business; future revenue visibility supported by modest order book position. However, the rating is constrained by below average financial risk profile marked by weak debt protection metrics and high gearing ratio, client concentration risk and limited track record of the firm and the firm's presence in a highly fragmented and competitive readymade garment & retailing industry.

Background:

A-One Creations was established as a partnership firm in February 2014 by Mr. Hitesh Parekh. Since its inception, A-One Creations has been engaged in trading of readymade garments and fashion fabrics. The firm procures the products domestically and sells the products to the wholesalers and retailers all over India.

Financial Performance:

The Firm has posted an operating income of Rs. 41.37 Crs in FY15. Further, during FY16 provisional financial, the firm has reported an operating income of Rs. 46.14 Crs. The operating profit margins stood at 2.89 percent in FY 15. The Firm has reported a profit of Rs. 0.08 Cr in FY15 as against profit. The tangible net worth of the firm reported at Rs. 3.36 Crs in FY15.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, growth in revenue with proportionate increment in the profitability would be the key rating sensitivities.

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