

Rating Rationale

A-TEX HOME COLLECTION

19 Jan 2018

Brickwork Ratings re-affirms the ratings for the Bank Loan Facilities of Rs. 11.03 Crs of A- Tex Home Collection(ATHC)

Particulars

Facility Rated	Limits (Rs. in Crs)		Tenure	Previous Rating (November 2016)	Present Rating
	Previous	Present			
Fund Based					
Cash Credit	0.75	0.75	Long Term	BWR B + (Pronounced as BWR B Plus) Outlook : Stable	Re-affirmed as BWR B+ (Pronounced as BWR B Plus) Outlook : Stable
Term Loan - I	0.32	*0.18			
Term Loan - II	0.14	*0.10			
PC/PCFC [FO Followed by LC - DP/DA 150 days]	3.00	4.50	Short Term	BWR A4 (Pronounced as BWR A Four)	Re-affirmed as BWR A4 (Pronounced as BWR A Four)
Sublimit : PC/PCFC[FO]	(0.50)	(0.50)			
FBN/AACB/PSFCC[LC -DP/DA 150 Days]	4.00	5.50			
FBN/FBD/AACB [FO-DP/DA 150 Days]	(0.35)	(0.25)			
Total	8.21	11.03	(Rupees Eleven Crores and Three Lakhs Only)		

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

* Represents present term loans outstanding

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials results of the firm up to FY17, Projected financials upto FY19, publicly available information and information/clarifications provided by the management.

The rating has factored Partners extensive experience in the garment manufacturing and exporting sector, established client base and good track record of operations ,comfortable coverage and current ratios. However, the rating is constrained by declining in the net sales of

the firm, working capital intensive nature of business , constitutional risk being a partnership firm and exposure to foreign exchange fluctuation risk.

Rating Outlook: Stable

BWR believes the **A-Tex Home Collection’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 Firm

A-Tex Home Collection(ATHC) was incorporated in 1968, in Karur, Tamil Nadu. It is a partnership firm with two partners namely Mr. K G Prithivi and his Wife Mrs. P Devi Akilandeswari. The firm engaged in the business of manufacturing and exporting of home textiles like Table Linen, Pillow Covers, Screens, Cushion Covers and garment covers to the countries like, Sweden, Italy, Hongkong, China and USA.

Firm’s Financial Performance

Net Sales has decreased from ₹22.85Cr in FY16 to ₹20.37Cr in FY17. PAT decreased in FY17 to Rs. 0.98Crs from Rs. 1.02Crs in FY16. Tangible Networth of the firm is Rs. 4.85Crs and Debt Equity ratio recorded as 1.48times in FY17. Current ratio and DSCR stands on 1.52 & 2.38 times respectively in FY17.

Key Financial Indicators

Particulars	FY15(Actual)	FY16 (Actuals)	FY17 (Actuals)
Net Sales (In Crs)	22.87	22.85	20.37
EBIDTA (In Crs)	1.96	2.41	2.13
PAT (In Crs)	0.99	1.02	0.98
Net worth (In Crs)	3.82	5.29	4.85
Total Debt / TNW (Times)	4.23	1.09	1.48
Current Ratio (Times)	1.43	1.71	1.52

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

S.No	Instrument/Facility		Rating History					
			Limits in Crs	Present Rating January 2018	2017	2016 22 nd November	2015 26 th October	2014
1	Cash Credit	Long Term (Long Term/ Short Term)	0.75	BWR B + Outlook : Stable Reaffirmed	--	BWR B+ Outlook : Stable	BWR B+ Outlook : Stable	--
2	Term Loan - I		0.18					
	Term Loan - II		0.10					
3	PC/PCFC [FO Followed by LC - DP/DA 150 days]	Short Term	4.50	BWR A4 Reaffirmed	--	BWR A4	BWR A4	--
4	FBN/AACB/PSFCC[LC -DP/DA 150 Days]		5.50					
Total			11.03	(Rupees Eleven Crores and Three Lakhs Only)				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing sectors](#)
- [Short Term Debt](#)

Analysts	Media
Varadarajan R analyst@brickworkratings.com	media@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

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