

Rating Rationale

Brickwork Ratings assigns 'BWR B+' for the Bank Loan facilities aggregating to ₹ 6.58 Cr of Aee Vee Textiles.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the Bank Loan facilities of ₹ 6.58 Crs of Aee Vee Textiles. ('The Firm')

Facilities	Limits (₹ Crs)	Tenure	Rating
Fund Based (FB)			
Term Loan	4.58	Long Term	BWR B+ (Pronounced BWR B Plus) (Outlook : Stable)
Cash Credit	2.00		
Total Limits	6.58	(INR Six Crores and Fifty Eight Lakhs Only)	

BWR has essentially relied upon the audited financials of FY15, projections of FY16, FY17 & FY18 publicly available information and the information/clarification provided by the management.

The rating has factored, inter alia, the strength it derives from the extensive business experience of more than 10 years of the Promoter and locational advantage of the unit.

However, the rating is constrained by its relatively small scale of operation, thin profitability margin, low networth, fragmented nature of industry, vulnerability to fluctuation in the raw material prices.

Background:

Aee Vee Textiles was established on 1st December 2013. Aee Vee Textiles is engaged in manufacturing of grey synthetic fabric on electronic rapier looms to be supplied various customers in and around Mumbai. Firm's manufacturing unit is located in Bhiwandi, Thane. This manufacturing unit is having 40 electronic rapier looms with the installed production capacity of 10,200 meters per day.

Management:

Mr. Dharamdas Gunomal Talreja is the proprietor of the firm having more than two decades of experience in the line of textile business.

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

Financial Performance:

The Firm has posted a revenue of Rs.14.00 crs in FY15. Net profit is reported at Rs.0.18 crs in FY15. The net worth of the firm is reported at Rs.0.24 crs. The operating profit margin stood at 8.66% in FY 15 and net profit margin stood at 1.26% in FY15 .

Rating Outlook:

The Rating outlook is expected to be stable in near term. Going forward, the ability to increase its scale of operations, achieve projected financial, improve its profit margins and optimum utilization of working capital by reducing payable levels are the key rating sensitivities for the Company.

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