

Rating Rationale

Brickwork Ratings assigns 'BWR B+' rating for the Bank Loan Facilities amounting to ₹5.50 Cr of Angel Apparels

Brickwork Ratings has assigned the following **Ratings**¹ for the bank loan facilities amounting to Rs. 5.50 Crs (Rupees Five Crs and Fifty Lakhs Only) of Angel Apparels:

Facility	Limits (₹ Cr)	Tenure	Ratings
Fund Based : Cash Credit	5.50	Long Term	BWR B+ (Pronounced BWR B Plus) (Outlook – Stable)
Total	5.50	(INR Five Crores and Fifty Lakhs Only)	

BWR has essentially relied upon the audited financial results up to FY5, and projected financials up to FY17, publicly available information and information/clarification provided by the firm's management.

The rating has factored, interalia, partners' vast experience in textile sector, improvement in revenues and ability of the promoter to bring in funds as required. The rating is constrained by constitution of the firm, average financial risk profile with low DSCR and ISCR levels, thin profitability margins due to volatile raw material prices and competition from organized and unorganized players in the same vicinity.

Background

Angel Apparels(AP) is a partnership concern based at Srivilliputtur Virudhunagar District, Tamilnadu. The firm is engaged in manufacture and trading of garments (nighties, night wear, tops and leggings etc). The firm markets its product through retail outlets at Hosur, Cuddalore, Trichy and Villupuram districts.

The firm has two manufacturing units located in Srivalliputtur and Raigiri district and markets the product in the brand name of 'POMMYS'

Management Profile

Mrs. Shyamala Devi and Mrs. Neela Pushpam are the managing partners of the firm, who look after the day to day business.

Financial Performance:

As per the audited financial statements of FY15, the firm has achieved sales of Rs.29.18 crs against Rs.27.87 crores in FY 14 PAT has increased to Rs. 0.16 crores in FY15 from Rs. 0.15 Crores in FY14. As on FY15, the firm's capital stands at Rs. 2.87 crs against total debt of Rs. 5.80 Crs resulting in a debt equity of 2.02 times as on 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, the ability of the firm to increase its scale of operations by setting additional retail units, improve profitability margins while managing the volatility in the raw material prices and manage the working capital efficiently would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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