

Rating Rationale

Brickwork Ratings Reaffirms rating to ‘BWR BB-’ & ‘BWR A4’ for the enhanced Bank Loan Facilities amounting to ₹ 9.12 Cr of Anjana Adorables

Brickwork Ratings has *reaffirmed Ratings*¹ for the enhanced bank loan facilities of Rs9.12 Cr (INR Nine crores and twelve lakhs only) of Anjana Adorables (“AA” or the “Firm”) as follows:

Facility	Present Limits (₹ Cr)	Previous (Limits) (₹ Cr)	Tenure	Rating	Rating History (Nov, 2014)
Term Loan (Fund based)	2.12	0.73	Long Term	Reaffirmed at BWR BB- (Pronounced BWR Double B Minus) (Outlook: Stable)	BWR BB- (Pronounced BWR Double B Minus) (Outlook: Stable)
PC/FBD/FBE* (Fund based)	5.00	4.00	Short Term	Reaffirmed at BWR A4 (Pronounced BWR A Four)	BWR A4 (Pronounced BWR A Four)
Letter of Credit (Non-Fund based)	2.00	2.00			
Total	9.12	6.73	INR Nine Crores and Twelve Lakhs only		

*PC/FBD/FBE includes sublimit against PC of ₹ 4.00 Crores.

** Bank details have been mentioned in annexure.

BWR has essentially relied upon the audited financial results up to FY15 and projections up to FY18, publicly available information and information/clarifications provided by the company’s management.

The rating draws strength from the long established track record of the firm, partners’ experience in the sector, moderate gearing levels, diversified product portfolio, established relationship with its customers, moderate profitability indicators and group support in the same line of business.

However, the rating is constrained by AA's constitution as a partnership, moderate scale of operations, decrease in revenues in FY15, intense competition in the export of readymade garments, susceptibility of earnings to volatility in foreign exchange rates and raw material prices.

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

Background:

Anjana Adorables, a partnership concern, was established in Sep 2004. Mr. V Rajendran and Mr. V Gnanasiva Moorthy are the Managing Partners. The firm manufactures readymade hosiery garments for women, and is a part of Greetings group, an integrated textile manufacturing and export house in Tirupur, Tamilnadu. The group comprises of Greetings Knit Wears, Greetings Color processors, Greeting Yarn Agencies Pvt Ltd and Anjana Adorables. The firm is associated with top international brands like Zlables, Indiska, Redcaps etc.

Financial Performance:

Net revenues have decreased to Rs 18.08 Crs in FY15 against Rs 21.12 Crs in FY14. Profit after tax (PAT) has decreased to Rs 0.25 Crs in FY15 as against Rs 0.81 Crs in FY14. During FY15, net profit margin and operating profit margin of the company stood at 1.21% and 9.48% respectively. Tangible net worth of the firm stood at Rs. 6.42 Crs as on FY15. The firm has reported a current ratio of 1.25 times as on FY15.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the firm to increase the scale of operations, improve profitability and manage volatility in exchange rates and raw material prices would be the key rating sensitivities.

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Anjana Adorables

Annexure: Bank Details

Name of the Bank/Financial Institution	Facility	Present (Limits ₹ Cr)	Previous (Limits ₹ Cr)	Tenure
SIDBI , Tirupur	Term Loan (Fund based)	2.12	0.73	Long Term
Canara Bank, Tirupur	PC/FBD/FBE* (Fund based)	5.00	4.00	Short Term
	Letter of Credit (Non-Fund based)	2.00	2.00	
Total		9.12	6.73	

*PC/FBD/FBE includes sublimit against PC of ₹ 4.00 Crores.