

## Press Release

### Brickwork Ratings assigns 'BWR C' & 'BWR A4' for the Bank Loan Facilities aggregating ₹ 49.59 Cr of Anugraha Fashion Mill Pvt. Ltd.

Brickwork Ratings has assigned following **Ratings<sup>1</sup>** for the Bank Loan Facilities of ₹ 49.59 Cr of **Anugraha Fashion Mill Pvt. Ltd.**

Facility	Amount (₹ Cr)	Tenure	Rating
Term Loan	21.59	Long Term	BWR C
OCC	3.00		
PC/FDB/FBE	25.00	Short Term	BWR A4 (BWR A Four)
<b>Total</b>	<b>49.59</b>	<b>(INR Forty Nine Crores Fifty Nine Lakhs Only)</b>	

Note: Out of total PC/FDB/FBE limit of ₹25.00Cr, PC limit is ₹ 20.00 Cr, FDB/FBE limit is ₹5.00 Cr and sublimit under FBE (HAWB/FCR/BL) is ₹ 3.00 Cr.

The rating factors inter alia, the experience of promoter in textile business and vertically integrated business operations. However, the rating is constrained by high gearing levels, low profitability margins, stretched liquidity position and intense competition in the highly fragmented and cyclical textile industry.

The Company was earlier known as Fab N Fabrics. It was started as a partnership firm in 1988. Mr. P Moghan and Mrs. P Raajeshwari were the partners. The Company is located in Tirupur. In 2008 the firm was changed into a Pvt. Ltd Company and the name was changed to Anugraha Fashion Mill Pvt. Ltd. Mr. P Moghan and Mrs. P Raajeshwari are the current directors. Mr. P Moghan's son Mr. M Manoj Prabhakar joined the company recently after completing his MBA.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

The Company is engaged in spinning cotton yarn and manufacturing hosiery garments for exports. There are also domestic sales of the export surplus. The Company's range of products caters to Men, Women, Children and Infants. The spinning and knitting division are located at Vattamalai. The processing (Dyeing/Cutting) division which is operated by associate firm Free Look Fashions is located in Perundurai. The garmenting division is located in Muthanampalayam Road, Nallur.

Total operating income from operations of the Company decreased marginally from ₹ 78.80 Crores in FY2010-11 to ₹ 78.26 Crores in FY2011-12. EBIDTA increased from ₹ 12.02 Crores in FY2010-11 to ₹ 12.99 Crores in FY2011-12 and PAT increased from ₹ 0.67 to ₹ 2.34 Crores.

The rating reflects the position of the Company in the textile manufacturing and export industry. Going forward, improving the capital structure, efficient utilization of working capital and meeting the projected revenue and profitability margins will be the key rating sensitivity factors.

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