

Rating Rationale

Atlas Export Enterprises

29th December 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.34.35 Crs of Atlas Export Enterprises

Particulars

Facility	Amount(in Crs)	Tenure	Rating
Term Loan - I	*0.33	Long Term	BWR BB (Pronounced as BWR Double B) Outlook : STABLE Assigns
Term Loan - II	*0.44		
Term Loan - III	*0.06		
Term Loan - IV	*0.13		
Term Loan - V	*0.29		
Term Loan - VI	*0.16		
Term Loan - VII	*0.15		
Term Loan - VIII	0.33		
Term Loan - IX	0.21		
PC/PCFC/FDB/FBE	30.00	Short Term	BWR A4 (Pronounced as BWR A Four)
Standby Limit of Gold Card Exporter	2.00		
<u>Non - Fund Based</u> Bank Guarantee	0.25		
TOTAL	34.35	34.35(Rupees Thirty Four Crores and Thirty Five Lakhs Only)	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY17, Projections up to FY19 of **Atlas Export Enterprises**, publicly available information and information/clarification provided by the company.

The rating draws strength from the extensive experience of the partners, prominence of the promoter in the society, consistent increase in the revenue and PAT level and comfortable financial risk profile. However, the rating is constrained by the risk of constitution being a partnership firm, working capital intensive nature of business and susceptibility of profitability to volatility in forex rates.

Rating Outlook: Stable

BWR believes the **Atlas Export Enterprises'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

Atlas Export Enterprise(AEE) was established in the year 1978 in Karur, Tamil Nadu. It is a partnership firm with three partners namely, Mr. M Nachimuthu, Mr. N Senthil Prasath and Mrs. N Kasthuri. The firm engaged in manufacturing and exporting of home textiles such as bed sheets, pillow covers, window screens, table linens and kitchen linens. The firm exporting its products to the countries like UK, Germany, Switzerland, and Spain.

Key rating Drivers

The partners of AEE's extensive experience in the home textile manufacturing industry and in export market, established clientele and long track record of operations. The operating income of the firm has increased to Rs. 147.04Crs in FY17 from Rs. 115.37Crs in FY16. Networth of the firm in FY17 is Rs. 18.62Crs. PAT has increased from Rs. 7.63Crs in FY16 to Rs. 12.36Crs in FY17.

Firm's Financial Performance

The firm has achieved sales turnover of Rs. 94.68Crs during the first 8 months in the current FY18. Debt Equity ratio recorded as 1.77Crs in FY17. Current ratio and DSCR stands at 1.58 and 2.39 times respectively.

Key Financial Indicators

Particulars	FY15 (Actuals)	FY16 (Actuals)	FY17 (Actuals)
Total Income (In Crs)	93.52	115.37	147.04
EBIDTA (In Crs)	13.92	12.48	18.74
PAT (In Crs)	6.19	7.63	12.36
Net worth (In Crs)	17.24	17.50	18.62
Total Debt / TNW (Times)	1.30	1.26	1.77
Current Ratio (Times)	3.48	2.69	1.58

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

S.No.	Instrument/Facility	Rating History					
		Type (Long Term/Short Term)	Amount (Rs Crs) (Proposed)	Rating	2016	2015	2014
1	Term Loans	Long Term	*2.10	BWR BB Assigns	NA		
2	PC/PCFC/FDB/FBE	Short Term	30.00	BWR A4	NA		
3	Standby Limit of Gold Card Exporter		2.00				
4	Non - Fund Based Bank Guarantee		0.25				
	TOTAL		34.35	Rupees Thirty Four Crores and Thirty Five Lakhs Only			

* Represents consolidated total amount of all the term loans.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [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.

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