Rating Rationale

Brickwork Ratings assigns 'BWR BB' & 'BWR A4' for the Bank Loan Facility of 'Page Garment Exports Pvt Ltd', aggregating to ₹ 16.17 Cr.

Brickwork Ratings (BWR) has assigned the following **Rating**[1] for the Bank Loan facility of 'Page Garment Exports Pvt Ltd' ('PGEPL' or the 'Company'), availed from the Ratnakar Bank Limited.

Facilities	Amounts (₹ Cr)	Tenure	Rating[1]
Fund Based			
Cash Credit	**10.00**	**Long Term**	**BWR BB** (Pronounced BWR Double B) **Outlook: Stable**
Term Loan	**1.17**		
PCFC/PSFC/EPC/ PSC/FBPFBD (Sub limit of Cash Credit)	**(10.00)**	**Short Term**	**BWR A4** (Pronounced BWR A Four)
Non Fund Based			
Letter of Credit	**5.00**		
Total	**16.17**	**(INR Sixteen Crores Seventeen Lakhs Only)**	

BWR has essentially relied upon the audited financial results of the company up to FY15, projections up to FY18, publicly available information and information/clarifications provided by the management.
The rating draws strength from the experience of the directors' in the line of the business, Y-O-Y increase in scale of operations, Low long term debt and stable operating profit margins.

The rating is however constrained by average financial risk profile marked by modest gearing level and Net worth and elongated working capital cycle.

Background:

The Page Garment Export Pvt Ltd was incorporated in the year 2005 as private limited company. This is a Group company of Page Industries, started by Second Generation of Genomal Family. It is engaged in manufacturing of wide range of Men's & Women's Undergarments, Lingerie, Sportswear, Casual Wear, T-shirts, Thermal Wear, Sleep Wear, Home wear, and Hosiery. It has installed capacity of 7.50 lakhs pieces/ MonthGroup companies are

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

GTVL Manufacturing Industries Inc, Sprint International Inc, Page Industries Ltd and Gentex Apparel Pvt Ltd.

Ownership and Management Profile

R N Vision Limited, Inter Concord Limited and Trimatrix Limited are the shoreholding companies with stake of 100% altogether. The directors of the Company are Mr. Shahendar Genomal, Mr. Rohan Genomal and Mr. Sanjeev Genomal. Mr. Shahendar Genomal has more than 10 years of experience in line business and Mr. Sanjeev Genomal has more than 15 years of experience.

Financial Performance:

As per audited financials for FY 15, the Company has reported net sales of ₹ 95.21 Crs and operating profit margin 6.25% against ₹ 75.21 Crs and 6.14% in FY 14. PAT was at ₹ 1.40 Crs in FY 15. The tangible Net-worth of the Company has improved from ₹ 9.80 Crs in FY 15 to ₹ 12.30 Crs in FY15 due to capital infusion as well as profit retention. The Company's leverage stood at ~2.12x in FY15. There are also some unsecured loans from associates. In addition, the Company has availed cash Credit limit of Rs. 9.50 Crs from Citi Bank Ltd.

The Company has achieved revenues of ₹ 62.12 Crs for 9MFY 2016 as informed by the management.

Rating Outlook:

The outlook is stable. However, declining revenues and profitability are matters of concern. Going forward, the ability of the Company to sustain & improve its scale of operations, profit margins and efficiently manage inventory levels would be the key rating sensitivities.

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