

Rating Rationale

T K Gurusamy Nadar & Sons Sri Koodalingam Pattu Center Pvt Ltd

13th March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of T K Gurusamy Nadar & Sons Sri Koodalingam Pattu Center Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u> Cash Credit Seasonal Cash Credit (Enhanced)	6.50 1.30	Long Term	BWR B+ Pronounced BWR B PLUS Outlook: Stable
Total	Rs. 7.80 Crores (Rupees Seven Crores Eighty 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 essentially relied upon the audited financial results of the company up to FY16, projected financials, publicly available information and information/clarifications provided by the management.

The rating has factored experience of the promoters of more than three decades in this retail industry, Long track record and Promoters commitment to infuse funds. However, the rating is constrained by modest scale of operations, working capital intensive nature of business and thin profitability margin.

Rating Outlook: Stable

BWR believes the T K Gurusamy Nadar & Sons Sri Koodalingam Pattu Center Pvt Ltd'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 Company

TK Gurusamy Nadar and sons Sri Koodalingam Pattu center was originally set up as a proprietorship concern in 1959; it was reconstituted as a partnership firm in 1961, and then transformed as a private limited company in 2006. The company retails apparel in Kovilpatti, Tamil Nadu. Its operations are managed by its promoter, Mr. A Suthahar.

Company Financial Performance

Net Sales has increased marginally from ₹19.48Cr in FY15 to ₹19.51Cr in FY16. PAT of the company increased marginally to Rs0.16Cr in FY16 from ₹0.14Cr in Fy15. Tangible Networth of the company has increased in FY16 is Rs. 1.56Cr. Current ratio Stands on 1.39times in FY16.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Cash Credit	Long Term	6.50	BWR B+	NA	NA	NA
2.	Seasonal Cash Credit (Enhanced)		1.30				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Retail sectors](#)
- [Short Term Debt](#)

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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.

DISCLAIMER

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