

Rating Report

Brickwork Ratings assigns 'BWR BB' & 'BWR A4+' rating for the Bank Loan Facilities of ₹ 17.19 Cr of Aman Exports International.

Brickwork Ratings (BWR) has assigned the following **Ratings**¹ for the Bank Loan facilities of ₹ 17.19 Crs of Aman Exports International ("AEI").

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based			
Term Loan 1	0.14	Long Term	BWR BB (Pronounced BWR Double B) (Outlook: Stable)
Term Loan 2	2.05		
EPC*	15.00	Short Term	BWR A4+ (Pronounced BWR A Four Plus)
FOBP/ FOBNLC*	15.00		
FOUBP (within FOBP)*	(2.00)		
Total	17.19	(INR Seventeen Crores and Nineteen Lakhs only)	

*Overall Ceiling of Rs. 15 Crores

BWR has principally relied upon the audited financial results of FY12, FY13, FY14, provisionals of FY15 and projections for FY16 & FY17, publicly available information and information/clarifications provided by the management.

The ratings reflect the partners' experience in the line of business, improved capital structure, on account of funding support from partners, diversified customer-base with well-established relationships, moderate profitability and healthy order book position. The ratings have also factored in the low counterparty credit risk, as majority sales are either backed by letter of credit from customers or covered under ECGC scheme.

However, ratings are constrained by firm's modest scale of operations, leveraged capital structure, presence in the intensely competitive and fragmented industry, stretched liquidity position due to high working capital requirements, vulnerability of its revenue and profitability to economic cycles and susceptibility of profitability to adverse movements in the prices of major raw materials.

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

Background

AEI was started as a proprietary concern in 1998 by Mr. Suresh Kumar Agarwal. In 2009, the firm was converted into partnership firm with the induction of his wife and two sons as partners. AEI is a Government of India recognized export house, engaged in the manufacture and export of ready-made garments, particularly women's wear. The firm mainly supplies the garments to retailers in Europe and Latin America, which market the products under their own brand name. The firm has its Registered Office and manufacturing facilities located at Jaipur, Rajasthan.

Financial Performance:

AEI reported total revenue from operations of ₹82.12 Crores in FY14. Operating profit margin of the firm was at 6.67% respectively in FY14. Tangible net worth stood at ₹12.58 Crores as on March 31, 2014.

Rating Outlook:

The outlook is expected to be stable for the current year. Going forward, the firm's ability to increase the scale of operation while sustaining profitability, strengthen capital structure and manage working capital efficiently would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Annexure I
Statement of Profit & Loss
Aman Exports International

₹ Crores	FY12	FY13	FY14
Result Type	Audited	Audited	Audited
Gross Sales	48.19	51.17	74.57
Net Sales	48.19	51.17	74.57
Other Operating Income	4.53	4.88	7.55
Total Operating Income	52.72	56.05	82.12
Operating Expenses	49.58	52.30	76.64
OPBDIT	3.14	3.75	5.48
Depreciation/Amortization/Impairment	0.96	1.02	1.35
OPBIT	2.19	2.73	4.13
Interest and Finance Charges	1.55	2.26	2.94
OPBT	0.64	0.47	1.19
Non-Operating Income(Expenses)	0.02	0.24	0.01
PBT	0.66	0.71	1.19
PAT	0.66	0.71	1.19

Annexure II
Balance Sheet
Aman Exports International

₹ Crores	FY12	FY13	FY14
Result Type	Audited	Audited	Audited
LIABILITIES			
Equity and Reserves	6.36	6.77	12.58
Share capital	5.71	5.11	10.92
Reserves and Surplus	0.66	1.66	1.66
Non-current liabilities	5.68	10.51	10.08
Long-Term Borrowings	5.00	10.51	8.72
Current liabilities	22.93	34.66	38.18
Short-Term Borrowings	15.04	20.04	24.14
Current Portion Of Long Term Debt	0.68	0.00	1.36
Trade Payables	5.93	7.73	11.27
Other Current Liabilities	1.88	6.76	2.67
Short-Term Provisions	0.08	0.13	0.11
Total Liabilities	34.97	51.95	60.84
ASSETS			
Non-current assets	7.95	12.83	14.74
Net Fixed assets	7.95	12.83	14.74
Current assets	27.02	39.12	46.10
Current Investments	0.44	0.12	0.00
Inventories	11.10	16.54	17.14
Trade Receivables < Six Months	13.49	20.48	26.29
Cash and Cash Equivalents	0.66	0.41	0.58
Short-Term Loans and Advances	0.71	0.74	0.88
Other Current Assets	0.63	0.83	1.21
Total Assets	34.97	51.95	60.84