

Atlas Exports (India)

Instrument	Amount	Rating Action
Long-term, fund based facilities	Rs. 15.00 crore	[ICRA]BBB+(Stable); Reaffirmed
Short-term, fund based facilities	Rs. 15.00* crore	[ICRA]A2+; Reaffirmed

*- Short-term, fund based facilities sub-limit of long-term, fund based facilities with total utilization not to exceed Rs. 15.00 crore

ICRA has reaffirmed the long-term rating assigned to the Rs. 15.00 crore^{*} long-term, fund based facilities of Atlas Exports (India)[†] at [ICRA]BBB+ (pronounced ICRA triple B plus). ICRA has also reaffirmed the short-term rating assigned to the Rs. 15.00 crore short-term, fund based facilities of the firm at [ICRA]A2+ (pronounced ICRA A two plus). The outlook on long-term rating is stable. The Rs. 15.00 crore short-term, fund based facilities are sub-limit of Rs. 15.00 crore long-term, fund based facilities with combined utilization limit of Rs. 15.00 crore.

While arriving at the ratings, ICRA has consolidated business risk profiles and financial risk profiles of the Atlas Group, comprising Atlas Exports (India) and Amber Exports ([ICRA]BBB (Stable)/A2) in view of their common management and similar area of operation of the group firms.

The ratings reaffirmation takes into account the long standing experience of the partners in the textile industry spanning over three decades, healthy growth in sales and comfortable financial profile as reflected by healthy profitability, low gearing levels and strong coverage indicators. The ratings however continue to remain constrained by the group's moderate working capital intensity of operations, risks arising out of operating in sensitive East and West African markets characterized by slow receivables, and intense competition in the apparel industry from other low cost domestic as well as overseas exporters. The ratings also take into account the vulnerability of the group's profitability to any unfavorable changes to export incentive schemes by the Government of India, and exposure to risk related to foreign currency exchange rate fluctuations on account of export sales .

ICRA also notes that Atlas Exports is a partnership concern and the capital structure remains exposed to capital withdrawals.

About the Company

Atlas Exports (India) was established in 1979 by current partners, Mr. Mahendra Avlani and Mr. Bharat Shah. Over the span of 35 years, the firm has expanded its network to over 20 countries across East and West Africa, Middle East Asia, and Latin America and is the flagship firm of the Atlas Group.

Group Profile

The Atlas Group has two major operating firms, Atlas Exports and Amber Exports. The Atlas group currently exports printed fabrics, other textile products (together ~85%), confectionaries, toiletries, etc. For the textile products exported, the finished garments are primarily worn by women, such as kaftan, khanga, dashiki, and kitenge. These firms undertake processing of fabrics into garments through a network of job workers based in textile hubs of Jetpur (Rajkot, Gujarat).

Recent Results

For the twelve months ending, March 31, 2015, Atlas Exports (India) reported profit after tax (PAT) of Rs. 27.03 crore on an operating income of Rs. 398.94 crore as compared to a PAT of Rs. 29.72 crore on an operating income of Rs. 355.86 crore for the twelve months ending March 31, 2014.

March 2016

^{*} 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website, www.icra.in, or other ICRA Rating Publications



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