



Subhamasthu Shopping Mall

Instrument	Amount in Rs. crore	Rating Action
Fund Based Limit – Term Loan	4.50	[ICRA]B+ upgraded
Fund Based Limit – Cash Credit	2.00	[ICRA]B+ upgraded

ICRA has revised the long term rating assigned to Rs. 6.50 crore[†] fund based limits of Subhamasthu Shopping Mall (SSM)[†] from [ICRA]B (pronounced ICRA B) to [ICRA]B+ (pronounced ICRA B plus).

The rating revision takes into account the early commencement of the shopping mall to ensure operations during festival season; healthy accruals from business in the first 6 months of operation which enabled the firm to repay its term loan obligation before schedule and strategically important location of the mall which has enabled it to attract customers. The rating also factors in the strong demand for traditional sarees in South India and the promoter's long term relationship with the suppliers which ensure timely availability of materials at reasonable price. The rating, however, is constrained on account of seasonality in the business as majority of the revenue is generated in the second half of the year, working capital nature of the business as the inventory remains susceptible to markdowns and associated off take risks (stock clearance) and the sales being vulnerable to changing consumer tastes, dynamic fashion trends and economic environment.

The ability of the firm to grow its business in the competitive environment by improving its profitability and managing its working capital requirements would remain the key rating sensitivities going forward.

Firm Profile

Founded in February, 2012, Subhamasthu Shopping Mall is a partnership firm promoted by Mr. B. Srinivasulu and other family members to set up a shopping mall in Nellore District of Andhra Pradesh. The firm is engaged in retailing of garments and accessories for men, women and kids. The day to day management of the firm would be looked after by the two managing partners, Mr. B. Srinivasulu and Mr. Ravi Kumar having more than 20 years of experience in textile industry.

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* 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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