



## Press Release

**Femina Shopping Mall Private Limited (FSMPL)**

**November 16, 2022**

### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	20.12	IVR BB / Stable Outlook [IVR Double B with Stable Outlook]	Reaffirmed	Simple
<b>Total</b>	<b>20.12 (Rupees Twenty Crore and Twelve Lakhs Only)</b>			

**Details of Facilities are in Annexure 1**

### Detailed Rationale

Infomerics Ratings has reaffirmed long-term rating at IVR BB with a Stable outlook for the bank loan facilities of Femina Shopping Mall Private Limited.

The rating reaffirmed to the above-mentioned bank facilities of Femina Shopping Mall private Limited continues from extensive experience of the promoters and the favourable location of the FSM's branches across Trichy catering to grocery, food, non-food, and other household items. The ratings, however, the rating strengths are partially offset by declined revenue in FYY22 impacted by covid, modest scale of operation, leveraged capital structure and coverage indicators, and competition from nearby malls and small stores.

### Key Rating Sensitivities:

#### Upward Factors

- Significant growth in scale of operations with improvement in profitability leading to improvement in debt protection metrics on a sustained basis.
- Improvement in the capital structure.

#### Downward Factors

- Decline in income and/or profit margins impacting the liquidity, deterioration in the capital structure.
- Stretch in the operating cycle.



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### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Extensive experience of the promoters**

The promoters, Mr. SMI Mohammed Abubacker. and Mr. Kalendher Naina Jafarulla has more than two decades of experience in the retail trading business resulting established association with customers and suppliers. The Femina shopping mall are located at multiple locations in the city of Trichy, TN. While the company majorly sells grocery items through its outlets, it has leased out some space which constitutes 1% of its total income.

- **Favourable location:**

FSM's branches are favourably located across Trichy catering to the grocery, food, non-food and other household items. The properties are located at Trichy Cantonment, Trichy Subramaniyapuram, Trichy- Old Good shed Road, Trichy- K K Nagar and Trichy- Srirangam. Favourable location of the company managed spaces adds to the footfalls reflecting on the revenues.

#### Key Rating Weaknesses

- **Declined revenue in FYY22 impacted by covid, modest scale of operation:**

In FY2022 FSMPL's operating performance had remained subdued because of decline in the revenue due to COVID-19-led disruptions during FY21-FY22, resulting in a huge dent in their overall income. TOI dropped to Rs. 53.16 crore in FY 2021 from Rs. 80.12 crore in FY 2020, further dropped to Rs. 45.34 crore in FY22. The company has achieved Rs.30.00 crore revenue in H1FY2022 on buoyancy in FMCG sector post reopening of the lockdown. Though the scale is expected to improve on account of the incremental sales from new shopping mall, it will continue to remain modest over the medium term.

- **Leveraged capital structure and coverage indicators:**

FSMPL's capital structure is leveraged, marked by overall gearing ratio of 5.60x as on March 31, 2022, owing to its low net worth base. The coverage indicators remained moderate marked by DSCR and interest coverage of 1.22x and 0.78x respectively as per FY 2022.

- **Competition from nearby malls and small stores:**

Competition from several small and medium retail players, as the company is in a commercial hub where there are large numbers of small stores. Though there are other



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regional players (such as Manglam Towers, KGS Trichy Mall, Sai Mall etc.) offering similar products, Moreover, FSMPL revenue are geographically concentrated with the six malls in Trichy only and reflects geographical concentration risk.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

### **Liquidity – Stretched**

The liquidity position of the concern remained Stretched due to negative PAT in last three fiscal years. The average working capital limit utilisation remained high above ~80% during the last 12 months indicating low liquidity buffer. The free cash balance remains at 1.03 crore as on March 31,2022. However, the company has no debt raising plans in near term.

### **About the Company:**

Femina Shopping Mall Private Limited (FSMPL) was incorporated in the year 1999. The company operates supermarkets/shopping malls in Trichy and primarily engaged in retailing of groceries, food, non-food and other household items. The company is promoted by Mr. S.M.I Mohammed Abubacker and Mr. Kalandher Naina Jafarulla.

### **Financials (Standalone)\*:**

For the year ended / As on	(Rs. Crore)	
	31-Mar-2021 (Audited)	31-Mar-2022 (Actual)
Total Operating Income	53.16	45.34
EBITDA	-0.13	2.47
PAT	-3.33	-0.61
Total Debt	29.55	30.74
Adjustable Tangible Net worth*	5.42	5.02
EBITDA Margin (%)	-0.24	5.45
PAT Margin (%)	-6.09	-1.30
Overall Gearing Ratio (times)	5.10	5.60

\*Classification as per Infomerics standards

**Status of non-cooperation with previous CRA: Nil**

**Any other information: None**



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### Rating History for last three years:

		Current Ratings (Year 2022-23)			Rating History for the past 3 years		
Sr. No.	Name of Instrument / Facilities	Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
Press Release					20 August-2021	20 May-2020	
1.	Fund Based – Term Loan	Long Term	16.85	IVR BB / Stable	IVR BB / Stable	IVR BB / Stable	–
2.	Fund Based – GECL	Long Term	3.27	IVR BB / Stable	IVR BB / Stable	IVR BB / Stable	–

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit [www.infomerics.com](http://www.infomerics.com)

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security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term - Fund Based – Term Loan	–	–	Oct-2029	16.85	IVR BB / Stable
Long Term - Fund Based – GECL	–	–	--	3.27	IVR BB / Stable

### Annexure 2: List of companies considered for consolidated analysis: Not Applicable

### Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Femina-Shopping-nnov22.pdf>

### Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).