



Press Release
MAGSONS EXPORTS
October 22, 2025
Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE BB- Reaffirmed & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	25.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.25.00 crore bank facilities of Magsons Exports. The rating has been withdrawn on account of the request received from the issuer along with No Objection Certificate received from the banker.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for Rating

The rating takes into consideration the extensive experience of management and established track record of operations in the industry of more than 4 decades. The rating further factors in an improvement in the operational performance of the firm. However, the above mentioned strengths are partly-off set by the intensive working capital operations of the firm and moderate financial risk profile. Further, susceptibility of profitability to fluctuations in input prices will remain a key sensitivity factor.

About the Company

Magsons Exports is a Delhi based partnership firm established in 1976. Partners of the firm are Mr.Virender Magu, Mrs. Aarti Magu and Mr Ansh Magu. The firm is engaged in manufacturing and export of Woven & Knitted Readymade Garments.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken the standalone view on the business and financial risk profile of Magsons Exports to arrive at this rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

Magsons Exports is engaged in manufacturing and exporting of garments. It has an established operational track record of over four decades. The operations of the firm are being managed by Mr.Virender Magu, Mrs. Aarti Magu and Mr. Ansh Magu. They are being

supported by the team of experienced professionals in managing day to day operations. The extensive experience of the promoters has enabled entity to establish a healthy relationship

with its customers and suppliers. The firm is having a long standing relationship with reputed clienteles namely Blue Star imports Lp, G-lll Apparel Group Limited etc.

Improvement in scale of operations

The firm has witnessed the growth in the revenue from operations by ~7.07% which stood at Rs. 95.33 Cr. in FY25 (prov.) against Rs. 89.03 Cr. in FY24. The improvement in revenue is due to increase in the volume sales. Operating margin of the firm stood at 7.64% in FY25 (prov.) against 7.31% in FY24. The slight improvement in the operating margin of the firm is due to the decrease in raw material cost. The Net margin stood at 3.13% in FY25 (prov.) against 2.75% in FY24.

Weaknesses

Moderate Financial Risk Profile

The firm's financial risk profile continued to remain moderate marked by tangible net worth of the firm stood at Rs. 18.49 crore as on March 31, 2025 (prov.) against Rs. 15.74 crore as on March 31, 2024. The improvement is on account of accretion of profit to reserves. The gearing of the firm stood at 2.51 times as on March 31, 2025 (prov.) against 2.95 times as on March 31, 2024. Interest coverage ratio stood at 1.90 times for FY25 (prov.) as against 1.82 times in FY24. Debt service coverage ratio stood at 1.65 times for FY25 (prov.) as against 1.56 times in FY24. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 3.55 times as on March 31, 2025 (prov.) as against 4.23 times as on March 31, 2024. The Net Cash Accruals/Total Debt (NCA/TD) stood at 0.08 times as on March 31, 2025 (prov.) against 0.07 times as on March 31, 2024.

Intensive Working capital operations

The working capital operations of the firm is intensive marked by GCA days of 237 days in FY25 (prov.) against 270 days in FY24. There is an improvement in the GCA days due to the inventory days of the firm which stood at 157 days in FY25 (prov.) against 165 days in FY24 and debtor days of the firm stood at 66 days in FY25 (prov.) against 81 days in FY24. The creditor days stood at 141 days in FY25 (prov.) against 155 days in FY24.

Highly competitive industry and susceptibility of margins to volatility in raw material prices

The garment industry is a highly fragmented industry including its vulnerability to volatile market trends and fluctuating consumer preferences. This sector is heavily reliant on global supply chains, making it susceptible to disruptions from geopolitical tensions, trade tariffs, and presence of large number of organised and unorganised players has created high competition in the industry. Entity faces competition from large players as well as numerous players in the unorganised segment.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The liquidity profile of the firm is adequate, marked by the net cash accruals of firm stood at Rs. 3.71 Cr. in FY25 (prov.) against debt obligation of Rs. 0.64 Cr, for the same period. The firm has cash & bank position of Rs. 0.74 Cr. However, current ratio stood at 1.05 times for FY25 (prov.).

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	95.33	89.03
PAT	Rs. Cr.	2.99	2.45
PAT Margin	(%)	3.13	2.75
Total Debt/Tangible Net Worth	Times	2.51	2.95
PBDIT/Interest	Times	1.90	1.82

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Aug 2024	PC/PCFC	Long Term	17.00	ACUITE BB- Stable (Assigned)
	Bills Discounting	Long Term	8.00	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BB- Reaffirmed & Withdrawn
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE BB- Reaffirmed & Withdrawn

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About Acuité Ratings & Research

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