

March 20, 2015

| Facilities | Amount (Rs. Crore) | Rating |
|-------------|-----------------------|----------------------------|
| Term Loan | 4.90 | SMERA B/ Stable (Assigned) |
| Cash Credit | 0.60 | SMERA B/ Stable (Assigned) |

SMERA has assigned a rating of '**SMERA B**' (read as **SMERA single B**) to the abovementioned bank facilities of Macro Apparels International Private Limited (MAIPL). The outlook is '**Stable**'. The rating is constrained by the company's short track record of operations. The rating is also constrained by the company's exposure to customer concentration risk amidst intense competition in the textile industry. However, rating is supported by the company's experienced management. The rating notes that the company has an assured off-take agreement with JC Retail India Private Limited.

MAIPL, incorporated in 2013, is a Pune-based company engaged in manufacturing of readymade garments. MAIPL started commercial operations in February 2015. The company is exposed to customer concentration risk as it derives 70 per cent of its total revenues from a single client i.e. JC Retail India Private Limited. MAIPL operates in an intensely competitive segment of the textile industry. MAIPL benefits from its experienced management. Mr. Bharat Akulwar, director of MAIPL, has around three decades of experience in the textile industry. MAIPL has an assured off-take agreement with JC Retail India Private Limited.

Outlook: Stable

SMERA believes MAIPL will maintain a stable business risk profile over the medium term. The company will benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers substantial growth in revenues while achieving healthy profit margins, strong financial risk profile and efficient working capital management. The outlook may be revised to 'Negative' in case of deterioration in the company's capital structure on account of higher-than-expected debt-funded capex.

About the company

MAIPL, incorporated in 2013, is a Pune-based company engaged in manufacturing of readymade garments. MAIPL is promoted by Mr. Bharat Akulwar. The company has a manufacturing unit in Supa Parner Industrial Area, Ahmednagar.

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