

## ABC Garments (ABCG)

## ABC Garments: Downgraded

Facilities	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	2.00	SMERA D (Downgraded from SMERA BB-/Stable)
Term Loan – I	0.08	SMERA D (Downgraded from SMERA BB-/Stable)
Term Loan – II	0.33	SMERA D (Downgraded from SMERA BB-/Stable)
Bank Guarantee	0.02	SMERA D (Downgraded from SMERA A4+)
Packing Credit	5.00	SMERA D (Downgraded from SMERA A4+)
Forward Contract	0.05	SMERA D (Downgraded from SMERA A4+)
Inland Letter of Credit	1.00	SMERA D (Downgraded from SMERA A4+)
Foreign Documentary Bill of Purchase	2.50	SMERA D (Downgraded from SMERA A4+)

SMERA has downgraded the abovementioned rating of ABC Garments (ABCG) to '**SMERA D' (read as SMERA D)**' from 'SMERA BB-/Stable' (read as SMERA double B minus/Stable) and short term rating to '**SMERA D' (read as SMERA D)**' from 'SMERA A4+' (read as SMERA A four Plus). The rating downgrade reflects delays in servicing and repayment of debt by the firm. The rating also reflects the stretched liquidity position.

## Rating Sensitivity Factor

- Curing of default

## Criteria applied to arrive at the rating:

- Default Recognition Criteria

## About the Firm

The Tamil Nadu-based ABCG established in 1993 is a partnership firm engaged in the manufacture and export of readymade garments for men, women and kids. The firm exports its products to Europe, USA among others. The firm is headed by Mr. R. Annadurai, Partner, who possesses experience of over two decades in the business.

For FY2013-14, ABCG reported net profit of Rs.0.35 crore on operating income of Rs.11.08 crore, as compared with net profit of Rs.0.27 crore on operating income of Rs.9.10 crore in FY2012-13. The net worth stood at Rs.3.57 crore as on March 31, 2014 as against Rs.3.30 crore a year earlier.

## Rating History

Date	Facilities	Amount (Rs. Crore)	Ratings		Rating Outlook
			Long Term	Short Term	
12 October, 2015	Cash Credit	2.00	SMERA BB- (Assigned)	-	Stable
	Term Loan - I	0.08	SMERA BB- (Assigned)	-	Stable
	Term Loan - II	0.33	SMERA BB- (Assigned)	-	Stable
	Bank Guarantee	0.02	-	SMERA A4+ (Assigned)	-
	Packing Credit	5.00	-	SMERA A4+ (Assigned)	-
	Forward contract	0.05	-	SMERA A4+ (Assigned)	-
	Inland Letter of Credit	1.00	-	SMERA A4+ (Assigned)	-
	Foreign Documentary Bill of Purchase	2.50	-	SMERA A4+ (Assigned)	-

## Contacts:

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a>	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a>

## ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit [www.smera.in](http://www.smera.in).

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.