

Press Release

Motherland Garments Private Limited

12 February, 2018



Rating Update

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|--------------------------------------|--------------------------------------|
| Total Bank Facilities Rated* | Rs. 8.00 Cr |
| Long Term Rating (Indicative) | SMERA B+ Issuer not co-operating* |

#Refer Annexure for details

*The issuer did not co-operate; Based on best available information.

SMERA has reviewed the long term rating of '**SMERA B+**' (read as **SMERA B plus**) on the Rs. 8.00 crore bank facilities of Motherland Garments Private Limited. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>

Default Recognition: <https://www.smera.in/criteria-default.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

MGPL, was established in 2005, by Mr. AJ Pandian, Mr. G Ramesh Kanna and Mr. SA Selvamani. The company is engaged in the processing/finishing of garments. The company has four facilities, two in Bangalore and the other two at Chennai. The company's current processing capacity is 60000 units of garments per day.

In FY2016, the company reported profit after tax (PAT) of Rs. 0.46 crore on operating income of Rs. 10.43 crore against PAT of Rs. 0.34 crore on operating income of Rs. 8.77 crore in the previous year.

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Rating History for the last three years:

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------------|---------------------------------|-----------|------------------|----------------------------|
| 29 November, 2016 | Cash Credit | Long term | 2.50 | SMERA B+/Stable (Assigned) |
| | Term Loan | Long term | 4.20 | SMERA B+/Stable (Assigned) |
| | Proposed Long Term Facilities | Long term | 1.30 | SMERA B+/Stable (Assigned) |

Annexure – Details of instruments rated:

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings |
|-------------------------------|------------------|-------------|---------------|-------------------------------|-----------------------------------|
| Cash Credit | NA | NA | NA | 2.50 | SMERA B+ Issuer not co-operating* |
| Term Loan | NA | NA | NA | 4.20 | SMERA B+ Issuer not co-operating* |
| Proposed Long Term Facilities | NA | NA | NA | 1.30 | SMERA B+ Issuer not co-operating* |

**The issuer did not co-operate; Based on best available information. Contacts:*

| Analytical | Rating Desk |
|---|---|
| Suman Chowdhury President - SMERA Bond Ratings Tel: +91-22-6714 1107 suman.chowdhury@smera.in Vishal Choudhary, Analyst - Rating Operations Tel: +91-22-6714 1159 vishal.choudhary@smera.in | Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in |

SMERA Ratings Limited

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.

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) for the latest information on any instrument rated by SMERA.*

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