



Rating Rationale

Mereena Creations

21st April 2017

Brickwork Ratings reaffirms ratings for the Bank Loan Facilities of Mereena Creations.

Particulars

Facility	Previous Limits (Rs Crs)	Present Limits (Rs Crs)	Tenure	Previous Rating (Feb 2016)	Present Rating*
Fund Based:					
Packing Credit	15.00	20.00	Short Term	BWR A4+ (Pronounced BWR A Four Plus)	Reaffirmed at BWR A4+ (Pronounced BWR A Four Plus)
Non Fund Based FLC	2.00	-			
Total	17.00	20.00	(Rupees Twenty Crores Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed:

Brickwork Ratings (BWR) has reaffirmed the ratings for the Bank Loan Facilities of Mereena Creations (**Mereena Creations or the ‘Firm’**):

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of **Mereena Creations** upto FY16, publicly available information and the information/clarifications provided by the firm.

The ratings continue to draw comfort from the extensive experience of the partners in the Textile Industry, strengths derived from the group concerns engaged in similar line of business, reputed clientele and diversified product mix . However, the rating is partially constrained by the modest scale of operations, demand seasonality in the textile industry, intense competition in the ready-made garments export markets and inherent risk associated with the constitution of the firm.



Going forward, the ability of the firm to increase its scale of operations, improve profitability, diversify its export clientele and effectively manage its working capital requirements would be the key rating sensitivities

About the Firm:-

Mereena Creations (MC) is a partnership firm established in 1998 at Bangalore by Mr. Varghese George & Mrs. Sally Varghese. The firm is involved in manufacturing and selling of ready made garments viz., tops, skirts, shirts, dress and pants for women and children. MC has 5 manufacturing units at various locations in Bangalore via., 2 units in Peenya and 3 units at Bommasandra, Kalyan Nagar & HBR Layout near Jalahalli Cross respectively.

The partners also own two other proprietorship concerns, Aneena Creations & Sally Exports which are engaged in similar line of business since 2000. Aneena Creations & Sally Exports provide job work services for Mereena Creations.

Firm's Financial Performance:-

The firm has reported net revenue of Rs 68.63 Cr and PAT of Rs 0.71 Cr in FY 16 as against net revenue of Rs 84.64 Cr and PAT of Rs 0.51 Cr in FY15. Partners' Capital stood at Rs 14.42 Cr as on March 31, 2016 as against Rs 11.75 Cr as on March 31 2015. On a Provisional basis, Mereena Creations has achieved revenue of around Rs 60.68 Cr for 9MFY 17.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016 Feb	2015	2014
	Fund Based	Short Term	20.00	BWR A4+	BWR A4+	NA	NA
	Non Fund Based			-	BWR A4+	NA	NA



Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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