

**Mr. Naseer Ahmed**  
**Chairman and Managing Director**  
**Scotts Garments Limited**  
481-B, Peenya Industrial Area,  
Peenya IV Phase,  
Bangalore, Karnataka - 560 058

March 01, 2013

**Confidential**

Dear Sir,

**IPO Grading**

Please refer to request for grading of the Initial Public Offering (IPO) of 1, 22,46,084 equity shares of face value of Rs. 10 each of Scotts Garments Limited.

2. Our Rating Committee has assigned the grading of '**CARE IPO Grade 3**' [**Grade Three**] to the proposed IPO of Scotts Garments Limited (SGL). **CARE IPO Grade 3** indicates **Average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
3. Please note that wherever '**CARE IPO Grade 3**' [**Grade Three**] appears, it should invariably be followed by the definition '**CARE IPO Grade 3** [**Grade Three**] indicates average fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in Annexure 1.
5. Please arrange to get the grading revalidated, in case the proposed IPO is not made within three months from the date of this letter. In case the grading is not revalidated, the grading would stand withdrawn.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO and does not have any ongoing validity.

*Wix*

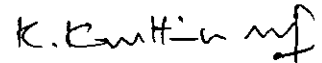
7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of grading within a week of this letter, CARE will disclose this IPO grading to the public.
8. Users of this grading may kindly refer our website "www.careratings.com" for latest update on the outstanding grading.
9. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
10. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,



(Nandana Bhat)  
Analyst



(Karthik Raj K)  
Senior Manager

Encl : As above

#### Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

## Annexure 1

### CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

cut