

August 17, 2015

| Facility | Amount (Rs. Crore) | Rating |
|-------------|-----------------------|-----------------------------|
| Cash Credit | 9.00 | SMERA BB+/Stable (Assigned) |

SMERA has assigned rating of '**SMERA BB+**' (**read as SMERA double B plus**) to the Rs.9.00 crore bank facility of Rama Vision Limited (RVL). The outlook is '**Stable**'. The rating draws comfort from the company's healthy financial risk profile, reputed suppliers and experienced management. However, the rating is constrained by the company's small scale of operations in an intensely competitive market.

Outlook: Stable

SMERA believes RVL will maintain its moderate business risk profile in the medium term on the back of established operations and long standing experience of the promoters in the business. The outlook may be revised to 'Positive' in case of improvement in profitability and return on capital employed (ROCE). Conversely, the outlook may be revised to 'Negative' in case of further deterioration in profitability and ROCE.

Rating Sensitivity Factors

- Deterioration in working capital management
- Any future capital expenditure and its funding pattern
- Decline in revenue and profitability

About the Company

RVL, established in 1989, is a New Delhi-based company promoted by Mr. Satish Jain and Mr. S.S.L Jain. The company imports and distributes the PIGEON brand of mother and baby care products and also trades in Thai noodles, imported potato chips and biscuits in India. Recently, the company has also taken distributorship of Graco prams in India.

For FY2014–15, RVL reported profit after tax (PAT) of Rs.0.41 crore on operating income of Rs.41.81 crore, as compared with PAT of Rs.0.23 crore on operating income of Rs.33.33 crore for FY 2013–14. The company's net worth stood at Rs.19.34 crore as on March 31, 2015, as compared with Rs.18.93 crore a year earlier.

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