

September 21, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	13.00	SMERA BB-/Stable (Assigned)
Bank Guarantee	0.75	SMERA A4 (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB-**' (**read as SMERA double B minus**) and a short-term rating of '**SMERA A4**' (**read as SMERA A four**) to the above mentioned bank facilities of Shree Shoppers Ltd (SSL). The outlook is '**Stable**'. The rating reflects the company's reputed clientele and extensive experience of the management in the ready-made garment industry. The rating is also supported by company's average financial profile and stable profit margin. However, the ratings are constrained by the company's working capital intensive nature of business and moderate scale of operation. The rating is further constrained by company's presence in the competitive readymade garment industry.

Outlook: Stable

SMERA believes that SSL will continue to benefit over the medium term from the experienced promoters and average financial risk. The outlook may be revised to 'Positive' if the company's capital structure improves with effective working capital management. Conversely, the outlook may be revised to 'Negative' if company fails to achieve the scalability and profitability or if financial risk profile deteriorates owing to higher-than-expected working capital requirements/debt funded capex.

Rating Sensitivity Factors

- Scaling up of operations and maintaining comfortable margin.
- Efficient working capital management

About the Company

SSLL, established in 2002 is a Kolkata-based company engaged in wholesaling and retailing of ready-made garments and household appliance. The company has three showrooms located in Kolkata and the overall operations are managed by the Directors, Mr.Prem Sankar Dubey and Mr.Binay Kumar Dubey.

For FY2013-14, SSL reported profit after tax (PAT) of Rs. 0.66 crore on total operating income of Rs.68.07 crore, as compared with PAT of Rs. 0.59 crore on total operating income of Rs.59.47 crore in FY2012-13.

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