

November 23, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	12.50	SMERA BB+/Stable (Assigned)
Proposed Cash Credit	2.00	SMERA BB+/Stable (Assigned)

SMERA has assigned a long term rating of **SMERA BB+ (read as SMERA double B plus)** to the Rs. 14.50 crore bank facilities of Consolidated Premium Retailers (CPR). The outlook is '**Stable**'. The rating draws comfort from the experienced management, healthy revenue growth and comfortable financial risk profile. However, the rating is constrained by the firm's high degree of correlation with the performance of Apple and competition from other brands.

Outlook: Stable

SMERA believes CPR will maintain stable business risk profile on the account of the association with premium brands and long standing experience of the promoters in the retail business. The outlook may be revised to 'Positive' in case of CPR achieves higher than expected growth in revenue and profitability while maintaining a healthy financial risk profile and comfortable liquidity position. Conversely, the outlook may be revised to 'Negative' in case of a decline in profit margins or significant deterioration in the financial risk profile and liquidity position of the company

Rating Sensitivity

- Ability to scale up operation while maintaining profitability
- Demand outlook for Apple Phones and Computers
- Working capital Management

About the Firm

Consolidated Premium Retailers (CPR) incorporated, in the year 2010, is a Coimbatore-based partnership firm headed by Mr. Raakesh Ramanad. The firm is an authorised dealer of Apple Products. The firm has around 4 retail outlets in Bengaluru and 3 retail outlets in Coimbatore.

For FY2014-15, CPR reported profit after tax (PAT) of Rs.1.53 crore on operating income of Rs.79.85 crore as compared to PAT of Rs.0.97 crore on operating income of Rs.51.15 crore in FY2013-14. The firm's net worth stood at Rs.4.90 crore as on March 31, 2015 as compared to Rs.2.15 crore a year earlier.

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