

November 30, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	5.00	SMERA BB-/Stable (Assigned)
Bank Guarantee	5.00	SMERA A4+ (Assigned)

SMERA has assigned a rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the Rs.5.00 crore long-term fund based bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs. 5.00 crore short-term non-fund based bank facility of Manisha Packaging. The outlook is '**Stable**'. The ratings are supported by the firm's experienced promoters and reputed customer base - (Integrated Child Development Service) of the firm. However, the ratings are constrained by the moderate scale of operations, intense market competition in the packaging industry and tender based nature of the business. The rating is also constrained by the firm's moderate financial risk profile marked by low profitability, comfortable leverage (debt-to-equity ratio) and moderate coverage indicators.

Outlook: Stable

SMERA believes that the firm will maintain a stable business risk profile in the medium term on account of its experienced promoters. The outlook may be revised to 'Positive' in case the firm registers higher-than-expected growth in revenues, margins and net cash accruals while maintaining healthy debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case the firm registers lower-than-expected growth in revenues and profitability or deterioration in the firm's financial risk profile.

Rating Sensitivity Factors

- Scaling up of operations while maintaining margins
- Management of working capital funds

About the Firm

Incorporated in 2008, MP is a Ghaziabad-based firm promoted by Mrs. Manisha Agarwal. The firm is engaged in the trading and manufacturing of pre-school kits made of plastic. The firm is also engaged in trading of plastic jars/bottles and has a factory in Ghaziabad.

For FY2014-15, MP reported net profit of Rs.0.18 crore on operating income of Rs.44.72 crore as compared to net profit of Rs.0.13 crore on operating income of Rs.20.13 crore in FY2013-14. The firm's net worth stood at Rs.3.60 crore (including unsecured loan of Rs.2.21 crore) as on March 31, 2015, as compared with Rs.4.38 crore (including unsecured loan of Rs.2.15 crore) a year earlier.

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Manisha Packaging (MP)

Rating Rationale

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