

December 22, 2015

Facility	Amount (Rs. Crore)	Rating
Cash Credit	5.00	SMERA B/Stable (Assigned)

SMERA has assigned rating of '**SMERA B (read as SMERA B)**' to the above mentioned bank facility of Kimirica Luxuries Private Limited (KLPL). The outlook is '**Stable**'. The rating is constrained by the company's limited track record and small scale of operations. The rating is further constrained due to the below average financial risk profile coupled with a stretched liquidity position and working capital intensive nature of business. However, the rating derives comfort from the experienced management, reputed clientele and absence of long term debt obligations.

Outlook: Stable

SMERA believes KLPL will have a stable outlook over the medium term due to its experienced management. The outlook may be revised to 'Positive' in case of further improvement in its scale of operations while maintaining profitability and efficient working capital management. Conversely, the outlook may be revised to 'Negative' if the company's financial profile deteriorates.

Rating Sensitivity Factors

- Scalability of business while maintaining margins
- Efficient working capital management

About the Company

KLPL, incorporated in 2014 is an Indore-based company promoted by the Jain family. The company is engaged in the manufacture of around 80 categories of herbal and ayurvedic products. These include a range of personal care luxury products and dry room amenities targeted at the hospitality industry. Besides, facilities for storage, packing and quality control are in-house spread across an area of 50,000 sq ft.

For FY2014–15, KLPL reported profit after tax (PAT) of Rs.0.10 crore on operating income of Rs.5.02 crore.

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