

January 25, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.00	SMERA B/Stable (Assigned)
Letter of Credit	2.00	SMERA A4 (Assigned)

SMERA has assigned a long-term rating of '**SMERA B**' (**read as SMERA B**) and short term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.5.00 crore bank facilities of Kiaana Home Originale Private Limited (Kiaana Home). The outlook is '**Stable**'. The ratings are constrained by the company's small scale of operations, uneven revenue trend, foreign exchange fluctuation risk and working capital intensive business. However, the ratings draw comfort from the experienced management, large customer base and reputed clientele.

Outlook: Stable

SMERA believes Kiaana Home will maintain a stable business risk profile in the medium term on account of its experienced and qualified management. The outlook may be revised to 'Positive' if the company registers higher-than-expected growth in revenues and increase in operating margins while executing projects on time. Conversely, the outlook may be revised to 'Negative' in case of lower-than-expected growth in revenues and profitability, deterioration in the financial risk profile or higher than expected working capital requirements.

Rating Sensitivity Factors

- Scaling up of operations while maintaining profit margins
- Efficient working capital management

About the Company

Promoted by Mr. Pankaj Mehta, Kiaana Home, incorporated in 2011 trades in home decor products such as pillows, bedsheets to name a few. The company caters to reputed names including Bombay Dying, Welspun, Shoppers stop among others in Mumbai.

For FY2014–15, Kiaana Home, reported nil profit after tax (PAT) on net operating income of Rs.6.15 crore, as compared with PAT of Rs.0.01 crore on operating income of Rs.7.70 crore in the previous year.

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