

March 12, 2016

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	5.16	SMERA BB-/ Stable (Assigned)
Cash credit	3.75	SMERA BB-/ Stable (Assigned)
Proposed	0.09	SMERA BB-/ Stable (Assigned)

SMERA has assigned rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the Rs.9.00 crore bank facilities of Himgiri Packs Private Limited (HPPL). The outlook is '**Stable**'. The ratings are constrained by the low scale of operations in a highly competitive and fragmented industry. The ratings are also constrained by the high utilization of HPPL's bank facilities. However, the rating draws support from the experienced management and reputed business partners.

Rating Sensitivity

- Scaling up of operations while maintaining margins and gearing
- Rise in competition levels

Outlook:Stable

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

About the Company

Himgiri Packs Pvt Ltd, incorporated by Mr. V.K Dewan, is in the business of manufacturing of cardboard boxes, Cases, Rolls and Boards in Rajasthan. The promoters having more than 4 decades of experience, have 2 sister concerns with Himgiri -

- M/S Packwell India Pvt Ltd
- M/S Packs -N-Packs

The company has achieved revenues of Rs.21.45 crore (provisional) for the period April to February 2016. The Gearing of the company stands at 0.71 times in FY 15 with a net worth of 6.41 crores.

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

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