

**May 18, 2016**

Facility	Amount (Rs. Crore)	Rating
Bank Guarantee	6.50	SMERA BB-/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB-**' (read as **SMERA double B minus**) with a '**Stable**' Outlook to the above mentioned bank facilities of K. K. Corporation. The rating derives strength from the experienced management and reputed clientele. The rating also draws support from the comfortable financial risk profile and working capital cycle. However, the rating is constrained by the small scale of operations and uneven revenue trend of the firm.

K.K. Corporation was promoted in 2007 by Mr. Prakash and Shailesh Soni who possess over three decades of experience in executing turnkey projects in interior works. The firm has undertaken projects for Ruby Mills Private Limited, Ireo Skyon, Interglobe Hotels Private Limited among others. K. K. Corporation has a comfortable financial risk profile marked by interest coverage ratio at 1.93 times against a gearing of 0.31times as on March 31, 2015. The working capital cycle is comfortable with debtor days of 11 and creditor days of 23 for FY2015. The GCA days stand at 105 for FY2015. However, the rating is constrained by the small scale of operations and uneven revenue trend as reflected in the operating revenue of Rs.6.45 crore in FY2015 as against Rs.14.75 crore in FY2014.

Rating Sensitivity Factors

- Efficient working capital management
- Sustained improvement in revenues and profitability

Outlook:Stable

SMERA believes KK will maintain a Stable profile over medium term on the back of its experienced management. The outlook may be revised to Positive in case the company registers more than expected growth in revenues while achieving improvement in profitability. Conversely the outlook may be revised to negative in case decline in profitability or deterioration in working capital cycle and high working capital requirements increasing the pressure on margins and capital structure

Disclaimer: A 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.



About the Firm

Established in 2007 by Mr. Prakash and Shailesh Soni, the firm undertakes turnkey interior work projects in design, finishing and consultancy.

For FY2014–15, the firm reported profit after tax (PAT) of Rs.0.30 crore on operating income of Rs.6.45 crore, as compared with net profit of Rs.0.38 crore on operating income of Rs.14.75 crore in FY2013–14. The net worth stood at Rs.1.68 crore as on March 31, 2015 as compared with Rs. 1.17 crore a year earlier.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91 9892306888 Email: suman.m@smera.in Web: www.smera.in	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A 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.