

## Press Release

### DAMAS LAMINATES PRIVATE LIMITED

November 24, 2017

### Rating Assigned



<b>Total Bank Facilities Rated*</b>	Rs. 8.90 Cr.
<b>Long Term Rating</b>	SMERA B / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) on the Rs. 8.90 crore bank facilities of DAMAS LAMINATES PRIVATE LIMITED. The outlook is '**Stable**'.

The Gujarat-based Damas Laminates Private Limited (DLPL), incorporated in November 2015 is engaged in the manufacture of decorative laminates. Promoted by Mr. Kiritkumar Pursottamdas Patel, Mr. Vinodkumar Ratanshibhai Patel and Mr. Vipulkumar Jagdishbhai Patel, the company has installed manufacturing capacity of ~9 lakh sheets per year and caters to the construction industry. The products are used in the interior decoration of homes, offices, hospitals among others. The commercial production is expected to commence from December 2017.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The company was promoted by Mr. Kiritkumar Patel, Mr. Vinodkumar Patel and Mr. Vipulkumar Patel who possess decades of experience in the trading of plywood, laminates and timers. This has helped the company build long term relations with customers and suppliers.

#### Weaknesses

- **Project implementation risk**

Since operations are expected to commence from December 2017, the company is exposed to project implementation and project offtake risk unless operations commence within the time and cost envisaged. Any change related to the same can have adverse implications on the funding profile and liquidity position.

- **Intense competition**

The company is exposed to intense competition in the laminates industry from several small and large players, limiting its bargaining power with customers.

#### Analytical Approach

SMERA has considered the standalone financial and business risk profile of the company to arrive at the rating.

#### Outlook: Stable

SMERA believes that DLPL will maintain a Stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case the company registers more than expected growth in revenues and profitability. Conversely, the outlook may be revised to 'Negative' in case of high working capital requirements increasing pressure on margins.

#### About the Rated Entity - Key Financials

#### Status of non-cooperation with previous CRA (if applicable)

None

#### Any other information

None

#### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

#### Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

#### Rating History (Upto last three years)

Not Applicable

#### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.40	SMERA B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	6.50	SMERA B / Stable

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#### ABOUT SMERA

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