

**February 27, 2014**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	0.75	SMERA D (Assigned)
Term Loan I	5.00	SMERA D (Assigned)
Term Loan II	0.05	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' (read as **SMERA D**) to Rs. 5.80 crore long-term bank facilities of Kohli Industrial Packers (KIP). The rating reflects the firm's frequent delays in repayment of term loan installments. The rating also reflects recurrent overdrawn in the firm's cash credit account. The rating factors in the risks associated with the firm's small-scale operations, high leverage and weak liquidity position.

KIP, established in 2001, is a Pune-based proprietorship firm engaged in manufacturing of wooden boxes, crates pallets and aluminium foil bags used in industrial packaging. KIP's term loan statement reflects frequent delays in debt repayment during June 2013 to December 2013. The firm's cash credit limit was overdrawn during July 2013 to November 2013. KIP's leverage is high at 11.78 times as on March 31, 2013. The firm has a weak liquidity position on account of substantial delays in receipt of payments from customers. KIP's collection period is stretched at 134 days in FY2012-13.

Mr. Manjeet Singh Mohan Singh Kohli, proprietor of KIP, has over two decades of experience (derived through group entities) in the packaging industry.

#### **About the firm**

KIP, established in 2001, is a Pune-based proprietorship concern established by Mr. Manjeet Singh Mohan Singh Kohli. KIP is engaged in manufacturing of wooden boxes, crates pallets and aluminium foil bags. The firm also provides container loading-unloading and lashing services. KIP has a manufacturing unit in Dapodi, Pune (Maharashtra).

For FY2012-13, KIP reported PAT of Rs.0.15 crore on operating income of Rs.1.51 crore, as compared with PAT of Rs.0.26 crore on operating income of Rs.2.53 crore for FY2011-12. The firm's net worth stood at Rs.0.54 crore as on March 31, 2013, as compared with Rs.0.53 crore a year earlier.

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