

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 overdrawing 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.

Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
Virendra Goyal Vice President - SME Sales Tel : +91 22 6714 1177 Cell : +91 99300 74009 Email : virendra.goyal@smera.in Web: www.smera.in	Umesh Nihalani Head - Corporate Ratings, Tel: +91-22-6714 1106 Email: umesh.nihalani@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in

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.