

October 21, 2015

| Facilities  | Amount (Rs. Crore) | Rating                       |
|-------------|--------------------|------------------------------|
| Term Loan   | 10.00              | SMERA B-/Stable (Reaffirmed) |
| Cash Credit | 3.50               | SMERA B-/Stable (Reaffirmed) |

SMERA has reaffirmed the rating of '**SMERA B-**' (**read as SMERA single B Minus**) to the abovementioned bank facilities of O Life Private Limited (OLPL). The outlook is '**Stable**'. The rating is mainly constrained by the company's limited track record of operations, and presence in an intensely competitive segment of the garments industry. The rating is further constrained by the company's exposure to changes in customer preferences and fashion trends. However, the rating is derives support from the management's experience in the garment industry.

### **Outlook: Stable**

SMERA believes the outlook on OLPL's rated facilities will remain stable over the medium term. The outlook may be revised to 'Positive' if the company registers a sustained growth in revenue while maintaining profit margins. Conversely, the outlook may be revised to 'Negative' if there is a decline in the company's profit margins or in case of a significant deterioration in the company's capital structure on account of extensive external borrowings.

### **Rating Sensitivity Factors**

- Achieve the revenue targets
- Timely debt servicing

### **About the company**

OLPL, incorporated in February 2013, is a Pune-based company promoted by Mr. Rahul Birla, Mr. Nikhil Jaju, Mr. Nilesh Laddad and Mr. Vyankatesh Rathi. OLPL is engaged in retailing of readymade garments for men's wear. It owns a showroom (named Bold & Elegant) in Pune, Maharashtra.

The company reported revenues of Rs.9.96 crore for FY2015 (full year of operations).

OLPL reported Profit after tax (PAT) of Rs.(0.93) crore on operating income of Rs.9.96 crore for FY2014-15. The company's net worth stood at Rs.6.81 crore as on March 31, 2015(including unsecured loans treated as quasi equity).

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