

DECEMBER 15, 2016

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
LIVPURE PRIVATE LIMITED (ERSTWHILE LUMINOUS WATER TECHNOLOGIES PRIVATE LIMITED)**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	15.00	CARE BBB-; Outlook: Stable [Triple B Minus; Outlook: Stable]	Reaffirmed
Total Facilities	15.00 (Rupees Fifteen crore only)		

Rating Rationale

The rating of the bank facilities of Livpure Private Limited (LPL) continues to derive strength from the extensive experience of the promoters, strong brand name 'Livpure' and wide marketing and distribution network. The rating further draws comfort from the improvement in operational performance, continuous support from the promoters in the form of fund infusion and strong growth prospects for the water purifier industry.

The rating is however underpinned by the company's limited track record of operations, modest scale of operations with low capacity utilization and increasingly competitive market which requires high advertisement expenditure.

Going forward, the ability of the company to scale up the operations profitably and improve its market share shall be the key rating sensitivities.

Background

Livpure Private Limited (LPL) was originally incorporated as Luminous Water Technologies Private Limited in 2011 by Mr Rakesh Malhotra and Mr Navneet Kapoor, founders and promoters of SAR Group and Luminous Power Technologies Private Limited (LPTPL, engaged in manufacturing of inverters, UPS and batteries). The company got its name changed to 'Livpure Private Limited' from 'Luminous Water Technologies Private Limited' on April 11, 2016.

During FY16 (refers to the period April 1 to March 31), LPL reported a net loss of Rs.56.17 crore on total operating income of Rs.104.57 crore against net loss of Rs.43.86 crore on total operating income of Rs.89.18 crore in FY15. During H1FY17 (refers to the period April 1 to September 30), LPL reported net loss of Rs.22.24 crore on total operating income of Rs.78.86 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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