

Luxury Personified LLP

March 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	49.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category; Outlook revised from Positive

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

Luxury Personified LLP(LLP) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Limited's (CARE Ratings') rating on LLP's bank facilities will now be denoted as "CARE BB+; Stable/CARE A4+; ISSUER NOT COOPERATING*".

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The revision in rating outlook assigned to bank facilities of LLP IS majorly on account of moderation in profitability margin in FY24(refers to period from April 01, 2023, to March 2024). The rating further remains constrained on account of moderate operating cycle, moderate capital structure and debt coverage indicators. Further, ratings are constrained owing to foreign exchange fluctuation risk and constitution of the entity being a limited liability partnership firm. However, the ratings draw comfort from growing scale of operations, experienced management, low competition on account of catering to niche segment and established association with reputed suppliers and clientele.

Analytical approach: Standalone

Outlook: Stable

The revision in rating outlook from "positive" to "stable" is primarily on account of expected moderation in profitability margin.

Detailed description of key rating drivers:

Key weaknesses

Moderation in profitability margins

The profitability margins of the firm marked by the PBILDT and PAT margins moderated to 6.13% and 4.14 % in FY24 from 8.56% and 4.47% respectively in FY23. The same resulted in moderation in PAT margin to 4.14% in FY24 (PY: 4.48%).

Moderate capital structure and debt coverage indicators

As on March 31, 2024 (Audited), the debt profile of the firm comprises of term loans of Rs 1.20 crores, unsecured loans of Rs 83.83 crores and working capital limits of Rs 37.47 crores against modest tangible net worth base of Rs. 79.21 crore. The firm's capital structure remains moderate as marked by the overall gearing ratio of 1.55x as on March 31,2024 (PY:1.55x). Further, the overall gearing ratio moderated to 1.71x as on December 31,2024 on account of increased working capital utilisation. Further, owing to high debt levels and moderate profitability, the debt coverage indicators of the firm stood moderate, marked by the total debt to gross cash accruals and interest coverage ratio of 5.11x and 2.67x in FY24 from 4.49x and 5.25x respectively in FY23.

Moderate operating cycle

The operating cycle of the firm moderated to 107 days in FY24 from 94 days in FY23. LLP is required to maintain an adequate inventory in the form of imported electronic consumer goods to ensure smooth trading in order to meet the immediate demand of the customers which resulted in an average inventory holding period of around 87 days in FY24 from 68 days in FY23 .The firm has to offer liberal credit period of around 1-2 months to its customers resulting in an average collection period of 28 days in FY24 (PY:31 days). The firm receives an average credit period of around a week from its suppliers resulting in an average creditor's period of 9 days in FY24(PY: 6 days).

Foreign exchange fluctuation risk

The firm meets its procurement primarily through imports while it sells these products in domestic market. With initial outlay for procurement in foreign currency and inflows in domestic currency, the firm is exposed to volatility in foreign exchange rates. However, LLP does not hedge its foreign currency exposure through forward contracts which brings the firm's profitability margins exposed to volatility in foreign exchange. Moreover, any change in government policies, either domestic or international is likely

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

to affect the firm's revenues. The earnings are also susceptible to strict regulatory policies relating to tariff barriers (custom duty), non-tariffs barriers (restriction on the quality of imports), anti-dumping duties, international freight rates and port charges.

Constitution of the entity being a limited liability partnership

LLP's constitution being a limited liability partnership has the inherent risk of possibility of withdrawal of the partner's capital at the time of personal contingency and the firm being dissolved upon the death/retirement/insolvency of the partners. Moreover, partnership firms have restricted access to external borrowing which limits their growth opportunities to some extent.

Key strengths

Experienced management

LLP is currently managed by Mr. Luv Malik and Mr. Kush Malik as its designated partners. Both the partners are graduate and have an industry experience of around a decade through their association with this firm. They are in turn supported by a team of professionals having expertise in their requisite domain. The father of both the partners, Mr. Sunil Malik was also engaged into distributorship business of high-end audio systems and professional cameras. The partners thus have an adequate acumen about the various aspects of business which is likely to benefit the firm in the long run.

Low competition on account of catering to niche segment and established association with reputed suppliers and clientele

The domestic market for electronic consumer goods comprises many organized and unorganized players like LG Electronics Inc, Samsung India Electronics Pvt. Ltd., Philips India Ltd. and so on. However, LLP deals in the premium imported brands of the market. Therefore, it caters to the demand of a very niche segment. Further, LLP has sole distributorship agreement with 9 brands namely Devialet, Therabody, Aftershokz, Sonos, Gopro, Marshall, Hurom, Bang & Olufsen and Urbanears to sell the products in India. The same has reduced competition level significantly for the firm. Since inception, the firm is associated with the suppliers of reputed brands like Dyson, Devialet, Marshall, Hurom, Adidas etc. Further, clientele of the firm comprises of renowned outlets like Reliance Digital, Chroma and so on. It has established strong relationship with its suppliers as well as customers. Before establishment of the LLP, the promoters were into the same line of business and were associated with the same set of suppliers.

Growing, albeit modest scale of operations

The firm's scale of operations is on growing trajectory as marked by the total operating income of Rs 563.45 crores in FY24 from Rs. 424.91 crore in FY23. The growth in scale is driven by volume growth on account of addition of new brands to its product portfolio and increased sales penetration. Further, the firm achieved a TOI of Rs 487.63 crores in 9MFY25 (refers to the period from April 01, 2024, to December 31, 2024).

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Policy in respect of non-cooperation by issuers](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Retail](#)
[Service Sector Companies](#)
[Short Term Instruments](#)
[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Consumer Electronics

Established in the year 2015, LLP is engaged in distribution of global luxury electronic consumer goods and accessories across India. The product-range of the firm comprises of speakers, home sound system, professional cameras, vacuum cleaners, air purifiers and so on. The firm is associated with premium brands in the segment such as Dyson, Gopro, JLAB, Devialet, Bang & Olufsen, Therabody, Urbanears, Marshall, Hurom, Sonos, etc. The firm imports electronic items from countries such as USA, UK, Europe, Korea etc. The products are sold at the firm's stores located in Mumbai, Delhi, Chennai, Kolkata and Hyderabad and through online platforms like Amazon Flipkart etc. The firm also supplies products to renowned retail chains such as Reliance Digital, Chroma, etc

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25(UA)
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Total operating income	424.91	563.45	487.63
PBILDT	36.36	34.52	NA
PAT	18.98	23.33	24.62
Overall gearing (times)	1.55	1.55	1.71
Interest coverage (times)	5.25	2.67	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

Brickwork has downgraded the ratings assigned to the bank facilities of LLP under Issuer not cooperating (INC) category vide its press release dated July 23,2024, on account of its inability to carry out review in the absence of requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	49.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT/ ST-Cash Credit	LT/ST	49.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING *	-	1)CARE BB+; Positive / CARE A4+ (07-Mar-24) 2)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING * (19-Oct-23)	1)CARE BB+; Stable / CARE A4+ (23-Sep-22)	-

*Issuer did not cooperate; based on best available information.

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Cash Credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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