

August 28, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	16.00	SMERA B+/ Stable (Assigned)
Cash Credit	15.00	SMERA B+/ Stable (Assigned)
Letter of Credit	2.00	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B+**' (read as **SMERA B+**) to the Rs.31.00 crore fund based bank facilities and short term rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.2.00 crore non-fund based bank facilities of Shivani Locks Private Limited (SLPL). The outlook is '**Stable**'. The ratings are constrained by a weak financial risk profile and cyclical nature in the automobile industry. The ratings are also constrained by the competitive and fragmented nature of the latch lock manufacturing industry. Nevertheless, the ratings are supported by the company's experienced management and reputed clientele.

Outlook: Stable

SMERA believes SLPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while achieving efficient working capital management. Conversely, the outlook may be revised to 'Negative' if the company registers lower-than-expected revenues and net cash accruals, or in case of deterioration in the company's financial risk profile and liquidity position.

Rating Sensitivity Factors

- Management of working capital funds
- Improvement in profitability margins

About the Company

SLPL, incorporated in 1988, is a Delhi-based company promoted by Mr. D. N. Kathuria. The company is engaged in the manufacture of automotive locking systems and has a reputed clientele including Tata Motors and Ford India Private Limited.

For FY2013-14, SLPL reported net loss of Rs.3.86 crore on total income of Rs.130.09 crore, as compared with net loss of Rs.1.12 crore on total income of Rs.151.32 crore in FY2012-13. The company has achieved revenue of Rs.132.29 crore (provisional) in FY2014-15. SLPL's net worth stood at Rs.10.77 crore as on March 31, 2014, as compared with Rs.13.70 crore a year earlier.

Disclaimer: A 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.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A 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.