

September 30, 2015

| Facility | Amount (Rs. Crore) | Rating |
|--------------|--------------------|---------------------------|
| Term Loan I | 0.54 | SMERA B/Stable (Assigned) |
| Term Loan II | 3.76* | SMERA B/Stable (Assigned) |
| Cash Credit | 1.50 | SMERA B/Stable (Assigned) |

**Includes sub limit of one time FLC of Rs. 0.71 crore for import of horizontal roller machine.*

SMERA has assigned a rating of '**SMERA B' (read as SMERA B)** to the Rs.5.60 crore bank facilities of Louis Industries. The outlook is '**Stable**'. The rating is constrained by the nascent stage of operations, delays in execution of the project followed by intense market competition. However, the rating draws comfort from the experienced management and the established brand name of 'Atul Gold'.

Rating Sensitivity Factors

- Increasing revenue
- Working capital management

Outlook: Stable

SMERA believes the outlook of the firm will remain stable over the medium term on account of the experienced management and local brand image. The outlook may be revised to 'Positive' in case the firm achieves higher than expected revenues while maintaining profitability and capital structure. Conversely, the outlook may be revised to 'Negative' in case of lower than expected cash accruals resulting in deterioration in the capital structure and stretch in the liquidity profile.

About the Company

Louis Industries established in 2014, is engaged in the manufacture of automotive techno (toughened) and building glasses specially used in window panes and sells them under the 'Atul Gold' brand name. The partners of the firm, Mr. Rajiv Rana and Mr. Surindar Rana possess over a decades experience in the line of business.

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SMERA RATINGS LIMITED

Louis Industries (LI)

Rating
Rationale

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