

March 12, 2016

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	7.00	SMERA BB-/Stable (Assigned)
Cash Credit (Proposed)	5.00	SMERA BB-/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA BB-**' (**read as SMERA double B minus**) to the above mentioned Rs.12.00 crore bank facilities of Shiv Shakti Silver (SSS). The outlook is '**Stable**'. The ratings are constrained by the firm's low profitability, stretched liquidity and moderate financial risk profile. However, the rating draws comfort from the promoter's extensive industry experience and increasing revenue trend. The ratings also note susceptibility of profit margins to volatility in gold and silver prices.

Rating Sensitivity Factors

- Improvement in the financial risk profile and profitability

Outlook – Stable

SMERA believes that SSS will benefit from its promoter's extensive experience. The outlook may be revised to 'Positive' in case the firm improves its financial risk profile while registering growth in revenue and profitability. Conversely, the outlook may be revised to 'Negative' in case of decline in profitability and revenue or deterioration in the financial risk profile.

About The Firm

Established in 2005, Shiv Shakti Silver (SSS) is a proprietorship concern promoted by Mr. Premm Khanna. The firm is engaged in the manufacturing and wholesaling of gold and silver jewellery on job work basis at Delhi.

For FY2014-15, the firm reported net profit of Rs.0.17 crore on operating income of Rs.48.93 crore, as compared to net profit of Rs.0.14 crore on operating income of Rs.39.95 crore in the previous year.

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
Mr. Suman M National Sales Head – Emerging Corporate Group Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in	Vinay Chhawchharia Associate Vice President – Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@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.