

March 29, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.00	SMERA B-/Stable (Assigned)
Working Capital Demand Loan (WCDL)	4.59	SMERA B-/Stable (Assigned)
FITL	1.55	SMERA B-/Stable (Assigned)
Term Loan I	2.84	SMERA B-/Stable (Assigned)
Term Loan II	0.26	SMERA B-/Stable (Assigned)
Bank Guarantee	2.45	SMERA A4 (Assigned)

SMERA has assigned long-term rating of '**SMERA B**' (**read as SMERA B minus**) and a short term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.14.69 crore bank facilities of Deora Wires N Machines Private Limited (Deora). The outlook is '**Stable**'. The ratings are constrained by the below average financial risk profile on account of losses incurred in FY2015, moderate scale of operations and stretched liquidity position. However, the ratings draw comfort from the experienced management and long track record of operations.

Rating Sensitivity Factors

- Improvement in the capital structure
- Effective working capital management
- Sustaining revenues while operating profitably
- Timely servicing of term loan obligations

Outlook: Stable

SMERA believes Deora will maintain a stable business risk profile over the medium term and continue to benefit from its established track record of operations. The outlook may be revised to 'Positive' if the company improves its capital structure while registering growth in revenue, improvement in profitability and manages its working capital cycle efficiently. Conversely, the outlook may be revised to 'Negative' in case of further deterioration in the capital structure or financial risk profile.

About the Company

Deora, incorporated in 1992 was promoted by Mr. Sanjay Deora and Mr. Sanket Deora. The company manufactures aluminium conductors at its facilities at Kalol, Gujarat.

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.

For FY2014-15, Deora reported net loss of Rs.4.82 crore on net sales of Rs.34.14 crore as compared with profit after tax of Rs.0.06 crore on net sales of Rs.33.36 crore in the previous year.

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	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@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.