

August 18, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	8.00	SMERA BB/Stable (Assigned)
Cash Credit - Proposed	1.25	SMERA BB/Stable (Assigned)
Stand by Line of Credit	0.75	SMERA BB/Stable (Assigned)
Term Loan - Proposed	3.00	SMERA BB/Stable (Assigned)
Bank Guarantee	2.00	SMERA A4+ (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB**' (read as SMERA double B) and a short-term rating of '**SMERA A4+**' (read as SMERA A four plus) to the Rs.15.00 crore bank facilities of CM Envirosystems Private Limited (CMEPL). The outlook is '**Stable**'.

The ratings derives benefit from the extensive experience of its promoters in the industry, its strong market position in a niche segment and its moderate financial risk profile marked by moderate gearing. These rating strengths are partially offset by the company's working capital-intensive operations.

Outlook: Stable

SMERA believes CMEPL will continue to benefit from its strong market position in the industry underpinned by healthy operating profitability. The outlook may be revised to 'Positive' in case the company registers strong growth in revenue while maintaining healthy profitability. Conversely, the outlook will be revised to 'Negative' in case the company records lower accruals or in case of deterioration in working capital management impacting liquidity.

About the company

CMEPL, incorporated in 1981, is a Bangalore-based company engaged in manufacturing environmental test chambers. The day to day operations are managed by Mr. Prajwal Crasta, Director & CEO of the company.

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