

December 09, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.00*	SMERA B/Stable (Assigned)
Cash Credit	1.40#	SMERA B/Stable (Assigned)
Letter of Credit	2.00^	SMERA A4 (Assigned)
Cash Management Services	0.06	SMERA A4 (Assigned)
Bill Discounting Under Letter of Credit	0.30	SMERA A4 (Assigned)
Proposed Bank Facilities	1.74	SMERA B/Stable/SMERA A4 (Assigned)

* Includes sublimit of Bank Guarantee (BG) and Letter of Credit

Includes Pre-settlement risk as sublimit to the extent of Rs.0.22 crore

^ Fully interchangeable with BG

SMERA has assigned a long-term rating of '**SMERA B**' (**read as SMERA B**) and a short-term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.9.50 crore bank facilities of Link Composites Private Limited (Link). The outlook is '**Stable**'. The ratings are constrained by the company's weak financial risk profile, decline in operating margins and susceptibility of profitability to fluctuations in raw material prices. However, the ratings draw comfort from the experienced management.

Outlook: Stable

SMERA believes that Link will maintain a stable business risk profile over the medium term due to its extensive management experience. The outlook may be revised to 'Positive' in case the company registers growth in revenues and sustains profitability while maintaining its financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of decline in profitability and returns on capital or deterioration in its financial risk profile.

Rating Sensitivity Factors

- Ability to scale up operations while maintaining margins
- Improvement in the financial risk profile

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About the Company

Link is a Pune -based company promoted by Mr. Shriram Ranade and Mrs. Sangeeta Ranade. Established in 1997 as a partnership concern, Link's constitution was changed to private limited in 2008. The company trades in resin.

For FY2014–15, Link reported profit after tax (PAT) of Rs.0.44 crore on net operating income of Rs.49.54 crore, as compared with PAT of Rs.0.74 crore on operating income of Rs.43.30 crore in the previous financial year.

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