

March 03, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan I	0.80	SMERA B/Stable (Assigned)
Term Loan II	1.20	SMERA B/Stable (Assigned)
Cash Credit	4.00	SMERA B/Stable (Assigned)

SMERA has assigned rating of '**SMERA B**' (read as SMERA B) to the above mentioned bank facilities of Sri Anbu Silks (SAS). The outlook is '**Stable**'. The rating is constrained by the firm's small scale of business, limited track of operations and low networth. The rating is also constrained by the working capital intensive nature of business and partnership constitution of the firm. However, the rating derives comfort from the experienced management.

Rating Sensitivity Factors

- Scaling up of operations
- Improving profitability
- Efficient working capital management
- Timely repayment of debt

Outlook: Stable

SMERA believes that SAS will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case of higher than expected revenue and profit margins. Conversely, the outlook may be revised to 'Negative' with further stretch in profit margins and delays in rent receivables.

About the Firm

SAS, established as a partnership firm in 2014 is engaged in the retail business. The firm headed by Mr. NR Thirumurthi and Mrs. S Kalpanadevi, partners, has a showroom for silk sarees and other dress materials in Pollachi, Tamil Nadu.

For FY2014-15, SAS reported profit after tax (PAT) of Rs.0.13 crore on total income of Rs.12.19 crore.

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