

March 31, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	6.00	SMERA B/Stable (Assigned)
Channel/Dealer/Vendor Financing	8.00	SMERA B/Stable (Assigned)
Bank Facilities (Proposed)	1.80	SMERA B/Stable (Assigned)
Bank Guarantee/Letter of Guarantee	0.20	SMERA A4 (Assigned)

SMERA has assigned rating of '**SMERA B**' (read as **SMERA B**) on the Rs.15.80 crore long-term (fund based) bank facilities and '**SMERA A4**' (read as **SMERA A four**) on the Rs.0.20 crore short-term (non-fund based) bank facility of Sumer Sons Autotech Private Limited (Sumer Sons). The outlook is '**Stable**'. The ratings are constrained by the weak financial profile, intense market competition and inherent cyclical nature of the industry. However, the ratings are supported by the company's experienced management and established relationship with Ashok Leyland.

Outlook: Stable

SMERA believes Sumer Sons will maintain a Stable business risk profile over the medium term. The company will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' if the company registers sustained growth in revenues and profitability. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile.

Rating Sensitivity Factors

- Ability to scale up operations in a competitive industry
- Improvement in profitability and debt protection matrices

About the Company

Sumer Sons, established in 2012 by Mr. Sanjeev Jain is an authorised dealer of Ashok Leyland, an automobile company that manufactures a range of commercial vehicles. SSAPL currently operates through its 10000 square yard showroom (sales, service, and spares) in Agra.

The company reported net profit of Rs.0.28 crore on total income of Rs.46.70 crore for FY2014-15, as compared with net profit of Rs.0.27 crore on total income of Rs.32.41 crore in FY2013-14. The net worth of the company stood at Rs.2.88 crore as on March 31, 2015, as against Rs.2.49 crore a year earlier.

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.



SMERA RATINGS LIMITED

Sumer Sons Autotech Private Limited (Sumer Sons)

*Rating
Rationale*

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