

May 18, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	2.00	SMERA B/Stable (Assigned)
Term Loan	1.00	SMERA B/Stable (Assigned)
Letter of Credit	2.50	SMERA A4 (Assigned)

SMERA has assigned rating of '**SMERA B**' (read as SMERA B) and '**SMERA A4**' (read as SMERA A four) on the Rs.3.00 crore and Rs.2.50 crore fund based and non fund-based bank facilities of Sun Acrylics Private Limited (SAPL). The outlook is '**Stable**'. The ratings are constrained by the company's small scale of business, low profitability and working capital intensive operations. The ratings are also constrained by the below average financial risk profile marked by low net worth base and low coverage indicators. However, the ratings are supported by the experienced management and long operational track record.

Rating Sensitivity Factors

- Improvement in scale of operations and profitability
- Deterioration in the capital structure
- Effective working capital management

Outlook: Stable

SMERA believes SAPL will maintain a stable business profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company registers more than expected growth in revenues while achieving improvement in profitability. Conversely, the outlook may be revised to 'Negative' in case of high working capital requirements increasing pressure on margins.

About the Company

SAPL, incorporated in 1990, is a Mumbai-based company promoted by Mr. Naresh Mehta, Mr. Jay Naresh Mehta and Mr. Jagdish Ojha. The company is engaged in the manufacture and trading of acrylic sheets, monomer, polymer granules and other plastic products.

For 2014-15, SAPL reported net profit after tax (PAT) of Rs.0.05 crore on operating income of Rs.8.58 crore as against PAT of Rs.0.04 crore on operating income of Rs.3.76 crore.

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