

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.

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

Sun Acrylics Private Limited (SAPL)

*Rating
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