

Press Release

Make India Polymers House (MIPH)

02 February, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs.5.00 Cr
Long Term Rating	SMERA B/Stable (Assigned)
Short Term Rating	SMERA A4 (Assigned)

**Refer Annexure for details*

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B' (read as SMERA B)** and short term rating of '**SMERA A4' (read as SMERA A four)** to the above mentioned bank facilities of Make India Polymers House (MIPH). The outlook is '**Stable**'.

MIPH is a Chennai-based proprietorship concern established in April, 2016. The firm is engaged in the trading of poly granules.

List of key rating drivers and their detailed description

Strengths:

Experienced management: Mr. S.C. Sekar, Proprietor, possesses experience of over two decades in the said line of business.

Low implementation risk: Implementation risk is low, as the operations of the firm began from 20th April, 2016.

Weaknesses:

Limited track record of operations: The firm was established in April, 2016 and thus has limited track record of operations.

Geographical concentration risk: The firm largely caters to clients in Tamil Nadu and hence is exposed to geographic concentration risk.

Intense market competition: The firm is exposed to intense competition from large number of organised and unorganised players in the industry.

Analytical Approach: SMERA has considered the standalone business and financial risk profiles of the firm.

Applicable Criteria

- Trading Entities: <https://www.smera.in/criteria-trading.htm>
- Application of financial ratio and adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default recognition: <https://www.smera.in/criteria-default.htm>

Outlook: Stable

SMERA believes that MIPH will maintain a 'Stable' outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the firm scales up operations while maintaining effective working capital management. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile and higher-than-expected increase in working capital requirements.

About the Rated Entity

MIPH is a proprietorship concern established in April 2016 by Mr S. C. Sekar. The firm is engaged in the trading of poly granules. The proprietor possesses experience of over two decades in the said business.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	2017			2016		2015		2014	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Cash Credit	LT	0.50	SMERA B /Stable (Assigned)	-	-	-	-	-	-
Letter of Credit	ST	2.25	SMERA A4 (Assigned)	-	-	-	-	-	-
Proposed	ST	2.25#	SMERA A4 (Assigned)	-	-	-	-	-	-

Proposed Non Fund Based Facility of Rs.2.25 crore

*Annexure – Details of instruments rated:

Name of the Facility	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Cash Credit	NA	NA	NA	0.50	SMERA B/Stable (Assigned)
Letter of Credit	NA	NA	NA	2.25	SMERA A4 (Assigned)
Proposed	NA	NA	NA	2.25#	SMERA A4 (Assigned)

Proposed Non Fund Based Facility of Rs.2.25 crore

Note on complexity levels of the rated instrument: <https://www.smera.in/criteria-complexity-levels.htm>

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ABOUT SMERA

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