



## Rating Rationale

Sun Ark Aluminium Industries Pvt Ltd

26 Feb 2018

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹. 12.00 Crores of Sun Ark Aluminium Industries Pvt Ltd.

## Particulars

Facility rated	Amount in Crs		Tenure	Previous Rating (May 2016)	Present Rating
	Previous Limits	Present Limits			
<b><u>FUND BASED:</u></b>					
Cash Credit EPC/FBP	0.45 2.55	3.00 (3.00)	Long term	<b>BWR B+</b> (Pronounced BWR B Plus) Outlook:Stable	<b>BWR D</b> (Pronounced as BWR Single D) Downgraded
<b><u>NON-FUND BASED:</u></b>					
LC(I/F)DP/PA/BG	9.00	9.00	Short term	<b>BWR A4</b> (Pronounced as BWR A Four)	
<b>TOTAL</b>	<b>12.00</b>	<b>12.00</b>	<b>INR Twelve Crores only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

## Ratings: Downgraded

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials upto FY17 and projected financials upto FY19 of Sun Ark Aluminium Industries Pvt limited, publicly available information and information/clarifications provided by the company's management and Banker's feedback.

### Description of Key Rating Drivers

The ratings draw strength from the experience of the promoter in the same business, established relationships with its customers and suppliers and low gearing. However the rating is constrained



by the on-going delay in debt servicing. The ability of the company to improve its operations and regularize its bank loan facilities will be the key rating sensitivity.

### **Analytical Approach**

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### **About the Company**

Sun Ark Aluminium Industries Pvt Ltd (SAAIPL) was established in 2007 and its registered office is at Chennai, Tamil Nadu. The company is engaged in the business of manufacturing and exporting of aluminium granules, aluminium grit, aluminium powder and aluminium paste.

The company sells its product in the name of “Lucule” and has its manufacturing unit is located at Mela-amathur Village, Tamil Nadu. SAAIPL exports its products to Spain, France, Germany, Austria, Italy and South Africa.

Mr.P.Sivakumar is the Managing Director having more than 10 years of experience in the industry.

### **Company Financial Performance**

SAAIPL has reported a profit after tax (PAT) of Rs.0.56 crs. on Net Sales of Rs.12.37 crs.for FY17 as against profit after tax (PAT) of Rs.0.51 crs. on Net Sales of Rs.12.19 crs for FY16.

### **Key Financial Indicators**

<b>Key Parameters</b>	<b>2016</b>	<b>2017</b>
<b>Result Type</b>	<b>Audited</b>	<b>Audited</b>
Total Operating Income (In Crs)	12.19	12.37
EBIDTA (In Crs)	1.78	1.82
PAT (In Crs)	0.51	0.56
Net worth (In Crs)	7.71	8.27
Total Debt / TNW (Times)	0.97	0.84
Current Ratio (Times)	1.21	1.16

**Rating History for the last three years**

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	May 2016	January 2015
1	<b>Fund Based</b> Cash Credit	Long term	3.00	<b>BWR D</b> (Pronounced as BWR Single D)	NIL	<b>BWR B+ Outlook: Stable</b>	<b>BWR B Outlook: Stable</b>
	<b>Non Fund Based</b> LC(I/F)DP/PA	Short term	9.00			<b>BWR A4</b>	<b>BWR A4</b>
<b>Total</b>			<b>12.00</b>	<b>INR Twelve Crores Only</b>			

**Status of non cooperation with Previous CRA : Non Applicable**

**Any other information: Non Applicable**

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)



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#### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

#### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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