

January 23, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan (proposed)	5.00	SMERA BB/Stable (Assigned)
Cash Credit	10.00*	SMERA BB/Stable (Assigned)
Bank Guarantee	30.00	SMERA A4+ (Assigned)
Bank Guarantee (proposed)	30.00	SMERA A4+ (Assigned)
Cash Credit (proposed)	5.00	SMERA BB/Stable (Assigned)

*Fully interchangeable with Standby Line of Credit

SMERA has assigned a rating of '**SMERA BB**' (read as SMERA double B) to the Rs.20.00 crore long-term (fund-based) bank facilities and '**SMERA A4+**' (read as SMERA A four plus) to the Rs.60.00 crore short-term (non-fund based) bank facilities of Anupam Nirman Private Limited (ANPL). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management and established relation with clients. The ratings further derive comfort from the company's moderate financial risk profile. However, the ratings are constrained by the company's exposure to intense competition. The ratings are also constrained by the company's high dependence on tender-based orders.

ANPL, incorporated in April 2010, is a Guwahati-based company engaged in undertaking civil construction projects awarded by Public Welfare Department, Assam. ANPL benefits from its experienced management. Mr. Anupam Sarma and Mr. Pankaj Agarwal, directors of ANPL, have around 15 years of experience in the civil construction industry. The company also benefits from its established relationship with PWD – Assam. ANPL's moderate financial risk profile is marked by leverage (debt-equity ratio) of 0.74 times as on March 31, 2014 and interest coverage ratio of 3.61 times in FY2013-14 (refers to financial year, April 01 to March 31).

ANPL is highly dependent on tender-based orders floated by PWD – Assam and other government entities such as National Building Construction Corporation Ltd. (NBCC) and National Projects Construction Corporation Ltd. (NPCC).

Outlook: Stable

SMERA believes ANPL 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' in case the company diversifies its clientele while maintaining comfortable financial profile. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile and working capital management.

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About the company

ANPL, incorporated in April 2010, is a Guwahati-based company promoted by Mr. Anupam Sarma and Mr. Pankaj Agarwal. ANPL undertakes civil construction of roads, bridges and buildings. The company is registered with the Public Works Department, Assam.

For FY2013-14, ANPL reported profit after tax (PAT) of Rs.3.07 crore on operating income of Rs.79.94 crore, as compared with PAT of Rs.4.44 crore on operating income of Rs.49.90 crore in the previous year. The company's net worth stood at Rs.23.21 crore as on March 31, 2014, as compared with Rs.20.31 crore a year earlier.

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