

March 05, 2015

Facilities	Amount (Rs. Crore)	Ratings
Overdraft	5.15	SMERA B-/Stable (Assigned)
Bank Guarantee	8.85	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B-**' (read as SMERA single B minus) and '**SMERA A4**' (read as SMERA A four) to the Rs.14.00 crore bank facilities of Teknow Overseas Pvt. Ltd. (TOPL). The outlook is '**Stable**'. The ratings are constrained by the company's small-scale operations in an intensely competitive segment of the civil construction industry. The ratings are also constrained by the company's low net profit margins. However, the ratings are supported by the company's experienced management and reputed clientele.

TOPL, established in 1977, is a New Delhi-based company engaged in providing civil construction services. The company has small-scale operations marked by operating income of Rs.15.96 crore in FY2013-14 (refers to financial year, April 01 to March 31). TOPL operates in an intensely competitive segment of the civil construction industry. The company's net profit margin is low at 0.07 per cent in FY2013-14. TOPL's net profit of Rs.0.01 crore (in FY2013-14) is largely supported by non-operating income of Rs.1.58 crore.

TOPL benefits from its experienced management. The directors of the company have around two decades of experience in the civil construction industry. TOPL also benefits from its established relations with various reputed clients such as Bharat Heavy Electricals Limited, Jindal Steel and Power Limited, Paharpur Cooling Tower Limited and Siemens Limited.

Outlook: Stable

SMERA believes TOPL 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 registers sustained growth in revenues while achieving improvement in profitability. Conversely, the outlook may be revised to 'Negative' in case of decline in the company's revenues and profit margins.

About the company

TOPL, established in 1977, is a New Delhi-based company promoted by Mr. Shekhar Gupta and Mrs. Samita Gupta. TOPL is engaged in providing civil construction services.

For FY2013-14, TOPL reported profit after tax (PAT) of Rs.0.01 crore on operating income of Rs.15.96 crore, as compared with PAT of Rs.1.14 crore on operating income of Rs.28.80 crore in FY2012-13. The company's net worth stood at Rs.7.53 crore as on March 31, 2014, as compared with Rs.7.35 crore a year earlier.



SMERA RATINGS LIMITED

Teknow Overseas Private Limited (TOPL)

Rating
Rationale

Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Ashutosh Satsangi Vice President – Operations Tel: +91-22-6714 1107 Email: ashutosh.satsangi@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in

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 or 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.