



SMERA RATINGS LIMITED

BCPL Railway Infrastructure Limited (BCPL)

*Rating
Rationale*

March 31, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	10.00	SMERA BB+/Stable (Assigned)
Bank Guarantee	15.00	SMERA A4+ (Assigned)

SMERA has assigned ratings of '**SMERA BB+**' (read as **SMERA double B plus**) to the Rs.10.00 crore long-term (fund-based) bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.15.00 crore short-term (non-fund based) bank facility of BCPL Railway Infrastructure Limited (BCPL). The outlook is '**Stable**'. The ratings derive comfort from the company's healthy financial risk profile and comfortable liquidity position. The ratings also derive comfort from the company's experienced management and established relations with customers and suppliers. However, the ratings are constrained by the company's working capital-intensive operations. The ratings note that the company faces intense competition in the infrastructure industry. The ratings are also constrained by the company's high dependence on tender-based orders.

BCPL, incorporated in 2008, is a Kolkata-based company engaged in undertaking railway infrastructure development. BCPL's healthy financial risk profile is reflected in low leverage (debt-equity ratio) of 0.35 times as on March 31, 2014 and strong interest coverage ratio of 2.60 times in FY2013-14 (refers to financial year, April 01 to March 31). The company's comfortable liquidity position is evidenced by low utilisation (47 per cent) of working capital limit during September 2014 to February 2015.

BCPL benefits from its experienced management. Mr. Jyanta Kumar Ghosh, director of BCPL, has around 20 years of experience in railway infrastructure development. BCPL also benefits from its established relations with customers and suppliers.

BCPL's operations are working capital-intensive with gross current assets (GCA) of 425 days and inventory holding period of 201 days in FY2013-14. The company faces intense competition from several players in the infrastructure industry. BCPL is highly dependent on tender-based contracts awarded by Indian Railways and Central Organization for Railway Electrification (CORE).

Outlook: Stable

SMERA believes BCPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its established operations and long-standing relations with customers and suppliers. The outlook may be revised to 'Positive' in case the company registers higher-than-expected cash accruals on the back of sustained growth in revenues and profitability.

Disclaimer: A 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

BCPL Railway Infrastructure Limited (BCPL)

*Rating
Rationale*

The outlook may be revised to 'Negative' in case of steep decline in the company's profitability, or in case of significant deterioration in the company's capital structure and liquidity position.

About the company

BCPL, incorporated in 2008, is a Kolkata-based company, engaged in railway infrastructure development. BCPL undertakes designing, drawing, supply, erection and commissioning of railway electrification systems (25KV and 50Hz single phase traction overhead equipment).

For FY2013-14, BCPL reported profit after tax (PAT) of Rs.1.88 crore on operating income of Rs.30.32 crore, as compared with PAT of Rs.0.97 crore on operating income of Rs.22.04 crore in FY2012-13. The company's net worth stood at Rs.28.55 crore as on March 31, 2014, as compared with Rs.26.67 crore a year earlier.

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	Parimal Thakker Manager– Operations Tel: +91-11-4180 6650 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in

Disclaimer: A 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.