

November 30, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	10.00	SMERA BBB-/Stable (Upgraded from SMERA BB+/Stable)
Bank Guarantee	15.00	SMERA A3 (Upgraded from SMERA A4+)

SMERA has upgraded the long-term rating assigned to the above mentioned bank facilities of BCPL Railway Infrastructure Limited (BCPL) to '**SMERA BBB-**' (read as **SMERA triple B minus**) from '**SMERA BB+**' and short term rating to '**SMERA A3**' (read as **SMERA A three**) from '**SMERA A4+**'. The outlook is '**Stable**'.

The rating upgrade takes into account the improvement in BCPL's scale of operations and financial risk profile. BCPL has achieved revenue of Rs.52.56 crore in FY2014-15 as compared to Rs.29.82 crore in FY2013-14. The interest coverage ratio (ICR) improved from 2.18 times in FY2013-14 to 3.64 times in FY2014-15. The Debt service coverage ratio (DSCR) improved from 2.18 times in FY2013-14 to 3.29 times in FY2014-15 while the net cash accruals rose from Rs.1.95 crore in FY2013-14 to 2.91 crore in FY2014-15. The company has unexecuted order book of Rs.102.54 crore.

The ratings continue to draw support from the company's experienced management and established relations with customers and suppliers. However, the ratings remained constrained by the working capital intensive operations and high dependence on tender based orders.

Rating Sensitivity Factors

- Sustained improvement in revenues and profitability
- Deterioration in capital structure
- Working capital management

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

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SMERA RATINGS LIMITED

BCPL Railway Infrastructure Limited (BCPL)

*Rating
Rationale*

About the Company

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

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