



SMERA RATINGS LIMITED

**Parivartan Buildtech Private Limited (PBPL)****Rating  
Rationale****June 30 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	7.00	SMERA BB/Stable (Assigned)
Cash Credit (proposed)	10.00	SMERA BB/Stable (Assigned)
Bank Guarantee	7.00	SMERA A4+ (Assigned)
Bank Guarantee (proposed)	20.00	SMERA A4+ (Assigned)

SMERA has assigned a rating of '**SMERA BB**' (read as **SMERA double B**) to the Rs.17.00 crore long-term (fund based) bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.27.00 crore short-term (non-fund based) bank facility of Parivartan Buildtech Private Limited (PBPL). The outlook is '**Stable**'. The rating derives comfort from the company's experienced management, established relations with clients, moderate profitability profile and healthy order book. However, the rating is constrained by the company's small scale of operations, intense market competition and high dependence on tender-based orders from Public Welfare Department (PWD), Haryana.

PBPL, established in 2013, is a Gurgaon-based civil construction company that undertakes road construction projects and pipeline work for PWD, Haryana and other local development authorities. The company is headed by Mr. Parivartan, director who has 15 years of experience in the civil construction industry and has an established business relationship with PWD, Haryana.

PBPL has a moderate profitability profile that is reflected in the operating margin of 8.81 per cent (provisional) in FY2014-15 (refer to financial year, April 01 to March 31) and healthy order book of Rs.65 crore as on March 31, 2015.

However, the company's small scale of operations is evident from operating income of Rs.37.49 crore (provisional) in FY2014-15. Besides, PBPL is highly dependent on tender-based orders floated by PWD-Haryana and other local development authorities and faces intense competition from other players in the industry.

**Outlook: Stable**

SMERA believes that PBPL will continue to benefit over the medium term from its established track record and long standing industry experience of the management. The outlook may be revised to 'Positive' if the company is able to execute large orders without deteriorating capital structure and profitability. Conversely, the outlook may be revised to 'Negative' in case of any deterioration in the company's financial risk profile or in case of stretch in working capital limits.

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## Parivartan Buildtech Private Limited (PBPL)

### Rating Rationale

### About the Company

PBPL, established in 2013, is a Gurgaon-based civil construction company that undertakes road construction projects and pipeline work. The company lays sewage, water supply and drainage pipes for PWD, Haryana and other local development authorities.

PBPL reported profit after tax (PAT) of Rs.0.75 crore on operating income of Rs.23.89 crore for FY2013-14, as compared with PAT of Rs.0.20 crore on operating income of Rs.23.89 crore in the previous year. The company reported PAT of Rs. 1.22 crore on operating income of Rs.37.49 crore for FY2014-15 (provisional). The company's net worth stood at Rs.3.09 crore (provisional) in FY2014-15 (refer to financial year, April 01 to March 31) as against Rs.1.08 crore a year earlier.

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