

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.

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.

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.

Contact List:

| Media/Business Development | Analytical Contacts | Rating Desk |
|--|---|--|
| Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 98208 02479 Email: anton.y.jose@smera.in | Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-11-4973-1312 Email: parimal.thakker@smera.in | Tel: +91-22-6714 1184 Email: ratingdesk@smera.in |

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