

July 01, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	5.50	SMERA C (Assigned)
Bank Guarantee	2.50	SMERA A4 (Assigned)

SMERA has assigned a rating of '**SMERA C**' (read as **SMERA C**) to the Rs. 5.50 crore long-term (fund based) bank facility and '**SMERA A4**' (read as **SMERA A four**) to the Rs. 2.50 crore short-term (non-fund based) bank facility of Shree Narayan BuiltUp India Private Limited (SNBIPL). The rating is primarily constrained by the company's stretched liquidity position and working capital-intensive operations. The rating is also constrained by the company's small-scale operations in an intensely competitive segment of the construction industry. The aforementioned weaknesses are partially offset by the extensive experience of the company's management.

SNBIPL, incorporated in 2000, is a Madhya Pradesh-based company engaged in undertaking civil construction work for government bodies. SNBIPL's stretched liquidity position is evidenced by overdrawing in cash credit account during April 2014 to December 2014. The company has small-scale operations marked by revenue of Rs.14.70 crores in FY2013-14 (refers to financial year, April 01 to March 31). SNBIPL faces intense competition from several players in the construction industry.

SNBIPL benefits from its experienced management. The directors of the company have around 10 years of experience in civil construction business.

About the company

SNBIPL, incorporated in 2000, is a Madhya Pradesh-based company engaged in undertaking civil construction work for government bodies.

For FY2013-14 (refers to financial year, April 01 to March 31), SNBIPL reported profit after tax (PAT) of Rs.0.75 crore on operating income of Rs.14.70 crore, as compared with PAT of Rs.0.94 crore on operating income of Rs.18.61 crore in FY2012-13. The company's net worth stood at Rs.5.29 crore as on March 31, 2014, as compared with Rs.4.54 crore a year earlier.

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

Shree Narayan BuiltUp India Private Limited (SNBIPL)

*Rating
Rationale*

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