



SMERA RATINGS LIMITED

# Sri Yogalakshmi Blue Metal Industries (SYBML)

*Rating  
Rationale*

**July 07, 2015**

Facility	Amount (Rs. Crore)	Rating
Cash Credit	5.00	SMERA B+/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B+**' (read as **SMERA B plus**) to the Rs.5.00 crore bank facility of Sri Yogalakshmi Blue Metal Industries (SYBML). The outlook is '**Stable**'. The rating is supported by the firm's experienced management, diverse revenue profile and moderate order book. However, the rating is constrained by the firm's moderate scale of operations in a competitive industry and below average financial risk profile marked by high leverage.

## **Outlook: Stable**

SMERA believes that SYBML will continue to benefit over the medium term from the extensive experience of its promoters in the civil construction industry. The outlook may be revised to 'Positive' in case the firm records improvement in revenues while maintaining its efficient working capital management. Conversely, the outlook may be revised to 'Negative' in case of a stretch in the firm's liquidity position or in case of delays in project execution impacting revenues and profitability.

## **About the Firm**

SYBML is a proprietorship firm set up in 1997 by Mr. Mani. The firm primarily derives its revenue from the civil contract works that it undertakes. Additionally, the firm also trades in HUL products.

The firm reported profit after tax (PAT) of Rs.0.67 crore on operating income of Rs.33.96 crore for FY2013-14 as compared with PAT of Rs.0.87 crore on operating income of Rs.26.37 crore for FY2012-13.

## **Contact List:**

Media/Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91-98208 02479 Email: <a href="mailto:antony.jose@smera.in">antony.jose@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Ashwin. S Associate Vice President – Operations Tel: +91-44-49074502 Email: <a href="mailto:ashwin.s@smera.in">ashwin.s@smera.in</a>	Tel: +91-22-6714 1184 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

**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](http://www.smera.in)) for the latest information on any instrument rated by SMERA.