

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 Ygalakshmi 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.

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