

**October 01, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	10.00	SMERA B+/Stable (Assigned)
Revolving Demand Loan	20.00	SMERA B+/Stable (Assigned)
Line of Credit	2.39	SMERA A4 (Assigned)
Bank Guarantee	8.00	SMERA A4 (Assigned)

SMERA has assigned a rating of '**SMERA B+**' (read as **SMERA B plus**) to the Rs.30.00 crore long term bank facilities and '**SMERA A4**' (read as **SMERA A four**) to the Rs.10.39 crore short term bank facilities of Thiraviam Engineering Private Limited (TEPL). The outlook is '**Stable**'. The ratings are constrained by the company's modest scale of operations, below-average financial risk profile marked by high gearing and moderate coverage indicators. The ratings are also constrained by customer concentration risk and working capital intensive operations. However, the ratings draw support from the experienced management and established relations with customers that enable repeat orders.

### Rating Sensitivity Factors

- Improvement in scale of operations while maintaining profitability
- Customer diversification
- Improvement in capital structure and coverage indicators
- Effective working capital management

### Outlook: Stable

SMERA believes TEPL will maintain a stable business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while improving capital structure and debt coverage indicators. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability, deterioration in the financial risk profile or higher than expected working capital requirements.

### About the Company

TEPL, a Tamil Nadu-based company incorporated in 2006 by Mr. Thiraviam John Vasigaran and Ms. Johnvasigaran Subha Anna Jothi. The company is engaged in the manufacturing and fabrication of industrial equipments and spares. The company also undertakes repairs, modification, erection, testing and commissioning of equipments/structures. TEPL mainly undertakes contracts for boiler components, conveyor structure designs, stacker and reclaimers among others.

*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.*



SMERA RATINGS LIMITED

# Thiraviam Engineering Private Limited (TEPL)

*Rating  
Rationale***Contact List:**

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: <a href="mailto:antony.jose@smera.in">antony.jose@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Pooja Ghosh Associate Vice President – Corporate Ratings Tel: +91-33-6620 1203 Email: <a href="mailto:pooja.ghosh@smera.in">pooja.ghosh@smera.in</a>	Tel: +91-22-6714 1184 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</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.