



SMERA RATINGS LIMITED

Industrial Technical Consultant (ITC)

*Rating
Rationale***October 26, 2015**

Facility	Amount (Rs. Crore)	Rating
Packing Credit*#	13.00	SMERA A4 (Assigned)

**Fully interchangeable with packing credit in foreign Currency (PCFC), Foreign Bill Purchase (FBP) and Foreign bills of negotiation (FBN)*

#includes sublimit of Letter of Credit of Rs. 2 crore

SMERA has assigned a short-term rating of **SMERA A4 (read as SMERA A four)** to the Rs.13.00 crore bank facility of Industrial Technical Consultant (ITC). The rating is constrained by the small scale of operations, volatility in raw material prices and high order book concentration. However, the rating derives comfort from the firm's experienced management and healthy financial risk profile.

Rating Sensitivity Factors

- Improving the scale of operations while maintaining the profitability margins
- Working capital cycle
- Customer diversification

About the Firm

Industrial Technical Consultant (ITC), incorporated in 2000, is a Chhattisgarh-based firm that provides consultancy services on setting up of steel, power sector plants among others in India as well as overseas. The day-to-day operations of the firm are managed by Mr. S Narayanan and Ms. Kavita Sharma.

For FY2014-15, the firm reported profit after tax (PAT) of Rs.0.84 crore on operating income of Rs.14.63 crore as compared with PAT of Rs.1.00 crore on operating income of Rs.25.04 crore for FY2013-14. The firm's net worth stands at Rs.4.20 crore as on March 31, 2015 as compared with Rs.3.15 crore a year earlier.

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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: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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