



SMERA RATINGS LIMITED

Sai Infraconstruction Private Limited (SIPL)

Rating Rationale

December 01, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	6.00	SMERA B/Stable (Assigned)
Bank Guarantee	7.50	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B' (read as SMERA B)** to the Rs.6.00 crore long-term (fund based) bank facility and '**SMERA A4' (read as SMERA A four)** to the Rs.7.50 crore short-term (non-fund based) bank facility of Sai Infraconstruction Private Limited (SIPL). The outlook is '**Stable**'. The ratings are constrained by the company's small-scale operations amidst exposure to intense competition in the civil construction industry. However, the ratings are supported by the company's experienced management, moderate profit margins and healthy work order in hand.

SIPL, established in 2009, is a Lucknow-based company engaged in the civil construction business. The company is an EPC (engineering, procurement and construction) contractor with small-scale operations marked by revenues of Rs.24.71 crore (provisional) in FY2014-15 as compared to Rs.27.90 crore in the previous year. The company operates in an intensely competitive segment of the infrastructure industry.

SIPL benefits from its experienced management. Mr. Pankaj Srivastava, the Director has around 15 years of experience in the company's line of business. The company reported moderate net profit margin of 3.64 per cent in FY2014-15 and has orders in hand worth Rs.36.00 crore as on June 30, 2015.

Outlook: Stable

SMERA believes SIPL will maintain a stable business risk profile over the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the company registers substantial growth in revenues and profits. The outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile or in case of stretch in the company's working capital cycle.

About the Company

Sai Infraconstruction Private Limited (SIPL) incorporated in 2009 is an EPC contractor and takes tender-based contracts particularly for construction of roads, highways and bridges.

For FY2014-15, SIPL reported profit after tax (PAT) of Rs.0.90 crore on operating income of Rs. 24.71 crore, as compared with PAT of Rs.2.43 crore on operating income of Rs.27.90 crore in FY2013-14. SIPL's net worth stood at Rs.4.32 crore as on March 31, 2015, as compared with Rs.3.42 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

Sai Infraconstruction Private Limited (SIPL)

*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: 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

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.