

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.

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