

December 03, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit I	25.00	SMERA BB+/Stable (Assigned)
Cash Credit II	10.00	SMERA BB+/Stable (Assigned)
Term Loan	6.25	SMERA BB+/Stable (Assigned)
Corporate Loan	20.00	SMERA BB+/Stable (Assigned)
Letter of Credit I	15.00	SMERA A4+ (Assigned)
Letter of credit II	10.00	SMERA A4+ (Assigned)
Bank Guarantee	15.00	SMERA A4+ (Assigned)
Proposed Fund Based Limit	3.75	SMERA BB+/Stable (Assigned)

SMERA has assigned a ratings of '**SMERA BB+**' (read as **SMERA double B plus**) to the Rs.65.00 crore long term bank facilities and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.40.00 crore short term bank facilities of Enestee Engineering Limited (EEL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, moderate scale of operations, improvement in revenues and healthy order book position. However, the ratings are constrained by the average financial risk profile marked by relatively high gearing and moderate coverage indicators. The ratings also factor in the working capital intensive operations and susceptibility of profitability to volatility in raw material prices.

Rating Sensitivity Factors

- Improvement in the financial risk profile
- Effective working capital management

Outlook: Stable

SMERA believes EEL will maintain a stable business risk profile over the medium term and continues to benefit from its experienced management. The outlook may be revised to 'Positive' in case of improvement in the capital structure and coverage indicators. Conversely, the outlook may be revised to 'Negative' if the company registers steep decline in revenues and profitability or significant deterioration in the capital structure and liquidity position.

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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

Enestee Engineering Limited (EEL)

*Rating
Rationale*

About the Company

The Nagpur-based EEL, promoted by Mr. Madhu Nair, was incorporated as a private company in 2005. It was converted into a public limited company in 2010. The company is engaged in the manufacturing and fabrication of steel structures, heavy equipments and also undertakes EPCC contracts for heavy engineering.

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	Pooja Ghosh Associate Vice President – Corporate Ratings Tel: +91-33-6620 1203 Email: pooja.ghosh@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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