

February 05, 2016

Facilities	Amount (Rs. Crore)	Ratings
<b>Cash Credit</b>	<b>393.00</b>	<b>SMERA C (Assigned)</b>
<b>Term loan</b>	<b>92.45</b>	<b>SMERA C (Assigned)</b>
<b>*WCTL-I</b>	<b>72.80</b>	<b>SMERA C (Assigned)</b>
<b>WCTL-II</b>	<b>19.29</b>	<b>SMERA C (Assigned)</b>
<b>#FITL-I</b>	<b>62.21</b>	<b>SMERA D (Assigned)</b>
<b>FITL-II</b>	<b>15.24</b>	<b>SMERA D (Assigned)</b>
<b>FITL-III</b>	<b>15.30</b>	<b>SMERA D (Assigned)</b>
<b>Bank Guarantee</b>	<b>475.00</b>	<b>SMERA A4 (Assigned)</b>

\*WCTL: Working Capital Term Loan

#FITL: Funded Interest Term Loan

SMERA has assigned ratings of '**SMERA C (read as SMERA C)**' to the Rs.577.54 crore fund based, '**SMERA D (read as SMERA D)**' to the Rs.92.75 crore FITL facilities and '**SMERA A4 (read as SMERA A four)**' to the Rs.475.00 crore non fund based bank facilities of Tantia Constructions Limited (TCL). The ratings are constrained by delays in servicing of FITL interest. The loans of the company have been restructured in March 2015 and the moratorium period continues till March 2016 for FITL installments and September 2016 for all other loan obligations. The ratings also factor in the weak financial risk profile marked by net losses resulting in weak debt protection metrics and high gearing levels. The ratings also reflect the stretched liquidity position on account of working capital intensive nature of operations.

However, the ratings draw support from the experienced management marked by established track record in project execution and strong order book position translating into robust medium term revenue visibility.

### Rating Sensitivity Factors

- Timely servicing of debt repayment obligations
- Improvement in working capital management
- Profitability improvement

**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](http://www.smera.in)) for the latest information on any instrument rated by SMERA.

## About the Company

The Kolkata-based TCL, incorporated in December 1964, is the flagship company of the I. P. Tantia faction. The company is engaged in the business of civil construction with major presence in sectors such as roads, railways, bridges, urban infrastructure development among others. The company was promoted by the late Mr G P Tantia as a private limited company and converted to public limited in 1982. The day-to-day operations of TCL are managed by Mr I. P. Tantia, the eldest son, since 1969.

For FY2014–15, TCL reported profit after tax (PAT) of Rs. (61.11) crore on net sales of Rs.522.80 crore as compared with PAT of Rs.6.74 crore on net sales of Rs.745.97 crore in FY2013-14. The company's net worth stood at Rs.136.72 crore as on March 31, 2015, as compared with Rs.198.01 crore a year earlier.

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