

March 03, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	5.50	SMERA BB-/Stable (Assigned)
Term Loan	0.86	SMERA BB-/Stable (Assigned)
Letter of Credit	1.10	SMERA A4+ (Assigned)
Bank Guarantee	3.50	SMERA A4+ (Assigned)

SMERA has assigned ratings of '**SMERA BB-**' (**read as SMERA double BB minus**) and '**SMERA A4+**' (**read as SMERA A four plus**) to the Rs.10.96 crore bank facilities of Shreeji Interiors (SI). The outlook is '**Stable**'. The ratings draw support from the company's experienced management, reputed client base and comfortable liquidity profile. However, the ratings are constrained by the modest scale and working capital intensive nature of operations. Further, the ratings also factor in the weak financial risk profile marked by low tangible networth.

### Rating Sensitivity Factors

- Ability to scale up the operations while maintaining adequate profit margins
- Effective working capital management

### Outlook: Stable

SMERA believes that Shreeji will remain stable over the medium term on account of its established track record of operations and experienced management. The outlook may be revised to 'Positive' in case the company achieves higher than expected growth in revenue while maintaining adequate profitability and comfortable liquidity position. Conversely, the outlook may be revised to 'Negative' in case company achieves lower than expected revenue or in case of deterioration in the company's financial risk profile.

### About the Company

Shreeji, established in 2007, is a Bengaluru-based proprietorship concern promoted by Mr. Rahul Pipaliya. The company is engaged in execution of turnkey infrastructure and interiors projects.

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