

April 07, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan I	0.77	SMERA B/Stable (Assigned)
Term Loan II	3.01	SMERA B/Stable (Assigned)
Cash Credit	1.26	SMERA B/Stable (Assigned)
Proposed	0.09	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B**' (read as **SMERA B**) to the above mentioned bank facilities of BN Precast Private Limited (BNPPL). The outlook is '**Stable**'. The rating is constrained by the company's limited track of operations, moderate scale of business and weak financial risk profile. The rating is also constrained by the high dependency on the infrastructure sector. However, the rating derives comfort from the experienced management and diversified business profile.

Rating Sensitivity Factors

- Scaling up of operations by maintaining positive profit margins
- Efficient working capital management

Outlook: Stable

SMERA believes BNPPL will maintain a stable business risk profile over the medium term on account of its experienced management. The outlook may be revised to 'Positive' if the company registers higher-than-expected growth in revenues and net cash accruals while maintaining comfortable debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case of lower-than-expected growth in revenues and profitability or deterioration in the financial risk profile.

About the Company

The Gujarat-based BNPPL promoted by Mr. Nishant Subhash Patel and Mr. Bhumi Nishant Patel was incorporated in 2013. The company is engaged in the manufacture of precast structures at Ahmedabad. For FY2014-15, BNPPL reported loss of Rs. (2.03) crore on operating income of Rs. 1.04 crore.

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