

May 10, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	1.50	SMERA BB-/Stable (Assigned)
Bank Guarantee	4.00	SMERA A4 (Assigned)

SMERA has assigned long-term rating of '**SMERA BB-**' (read as SMERA double B minus) and short-term rating of '**SMERA A4**' (read as SMERA A four) to the above mentioned bank facilities of Om Prakash Sharma Contractor (OPSC). The outlook is '**Stable**'. The ratings are supported by the firm's experienced management and comfortable financial risk profile. However, the ratings are constrained by the small scale of business, working capital intensive operations and high customer concentration risk.

### Rating Sensitivity Factors

- Scaling up operations while maintaining profitability
- Efficient working capital management
- Deterioration in the financial risk profile

### Outlook-Stable

SMERA believes OPSC will maintain a stable business profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the firm registers more than expected growth in revenues while achieving improvement in profitability. Conversely, the outlook may be revised to Negative in case of higher working capital requirements increasing pressure on margins.

### About The Firm

OPSC, is a Gwalior – based firm, established in 2002 by partners, Mr. Om Prakash Sharma and Mr. Mithlesh Kumar Sharma who have over 15 years experience in the civil construction business. The firm undertakes contracts for construction of roads and bridges for Madhya Pradesh Public Works Department.

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