

April 23, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.50	SMERA B+/Stable (Assigned)
Bank Guarantee	5.00	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA B+**' (read as SMERA single B plus) to the Rs.3.50 crore long-term (fund based) bank facility and '**SMERA A4**' (read as SMERA A four) to the Rs.5.00 crore short-term (non-fund based) bank facility of C C Construction (CCC). The outlook is '**Stable**'. The ratings are supported by the firm's established track record of operations, moderate profit margins, strong debt protection metrics and experienced management. However, the ratings are constrained by the firm's small-scale operations. The ratings are also constrained by the firm's exposure to intense competition in the civil construction industry.

CCC, established in 1982, is a Guwahati-based partnership firm engaged in providing civil construction services. CCC also undertakes engineering, procurement and construction (EPC) projects. The firm reported moderate net profit margin of 2.63 per cent in FY2013-14 (refers to financial year, April 01 to March 31). CCC has strong debt protection metrics with low leverage of 0.87 times as on March 31, 2014 and comfortable interest coverage ratio of 1.55 times in FY2012-13.

CCC benefits from its experienced management. Mr. Sudhir Choudhary, partner of CCC, has a postgraduate degree in business management with around 10 years of experience in the firm's line of business.

CCC has small-scale operations with revenues of Rs.12.96 crore in FY2013-14. The firm operates in an intensely competitive segment of the infrastructure industry.

Outlook: Stable

SMERA believes CCC will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' in case the firm registers substantial growth in revenues and profitability while maintaining strong debt protection metrics. The outlook may be revised to 'Negative' in case of deterioration in the firm's financial risk profile, or in case of stretch in the firm's working capital cycle.

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About the firm

CCC, established in 1982, is a Guwahati-based partnership firm promoted by Mr. Sudhir Choudhary. CCC provides civil construction services. The firm also undertakes EPC contracts.

For FY2013-14, CCC reported profit after tax (PAT) of Rs.0.34 crore on operating income of Rs.12.89 crore, as compared with PAT of Rs.0.13 crore on operating income of Rs.6.81 crore in FY2012-13. The firm reported revenue of Rs.19.05 crore (provisional) for the period April 2014 to February 2015. CCC's net worth stood at Rs.6.72 crore as on March 31, 2014, as compared with Rs.6.40 crore a year earlier.

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