

C . C. Construction (CCC)

C. C. Construction: Assigned

Facilities	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	3.50	SMERA B+/Stable (Suspension Revoked; Rating Assigned)
Bank Guarantee	5.00	SMERA A4 (Suspension Revoked; Rating Assigned)

SMERA has assigned long-term rating of '**SMERA B+**' (**read as SMERA B plus**) on the Rs. 3.50 crore and short term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs.5.00 crore bank facilities of C. C. Construction (CCC). The outlook is '**Stable**'.

The ratings are constrained by the firm's small scale of operations and stretched liquidity (95 per cent bank limit utilised). The ratings are also constrained by the intense competition in the EPC industry. However, the ratings are supported by the experienced management and moderate financial risk profile marked by low gearing and interest coverage.

CCC has achieved operating income of Rs.11.52 crore in FY2015-16 (Provisional), a decline from Rs.20.62 crore in FY2014-15. The firm has moderate financial risk profile marked by small scale of operations. CCC registered profit of Rs.0.33 crore in FY2015-16 (provisional) against Rs.0.56 crore in FY2014-15. The firm has healthy gearing (debt-to-equity) at 0.67 times as on March 31, 2016 (provisional) against 0.70 times in FY2014-15. Moreover, the interest coverage ratio stood at 1.96 times in FY2015-16 (provisional) against 2.01 times in FY2014-15. The firm registered PAT margin of 2.82 per cent in FY2015-16 (provisional) as against 2.70 per cent in FY2014-15. CCC operates in an intensely competitive segment of the EPC industry.

Outlook: Stable

SMERA believes CCC will maintain a stable outlook in the medium term owing to its established operations and extensive experience of the promoters. The outlook may be revised to 'Positive' if the firm registers improvement in revenues and profitability. Conversely, the outlook may be revised to 'Negative' in case of decline in revenues and deterioration in the financial risk profile.

Rating Sensitivity Factors

- Improving revenue and profitability
- Efficient working capital management

About the Firm

CCC, established in 1982, is a Guwahati-based partnership firm promoted by Mr. Sudhir Choudhary, Mr. S.N Choudhary, Mr. Ramesh Aggarwal and others. The firm, an EPC contractor provides civil construction services and constructs bridges, drains and blast (stones used on railway tracks) for Indian Railways through tender based contracts.

For FY2015-16 (provisional), CCC reported profit after tax (PAT) of Rs.0.33 crore on operating income of Rs.11.62 crore, as compared with profit after tax (PAT) of Rs.0.56 crore on operating income of Rs.20.62 crore for FY2014-15. The net worth stood at Rs.8.20 crore as on March 31, 2016 (provisional) as compared with Rs.7.54 crore a year earlier.

Rating History

Date	Name of the Instruments	Amount (Rs. Crore)	Ratings		Rating Outlook
			Long Term	Short Term	
20 June, 2016	Cash Credit	3.50	SMERA B+ (Suspended)	-	Stable
	Bank Guarantee	5.00	-	SMERA A4 (Suspended)	-
23 April, 2015	Cash Credit	3.50	SMERA B+ (Assigned)	-	Stable
	Bank Guarantee	5.00	-	SMERA A4 (Assigned)	-

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ABOUT SMERA

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