



SMERA RATINGS LIMITED

Shiv Electricals (SE)

*Rating
Rationale***September 10, 2015**

Facility	Amount (Rs. Crore)	Rating
Bank Guarantee	6.70	SMERA A4+ (Assigned)
Proposed short term Bank facilities	1.49	SMERA A4+ (Assigned)

SMERA has assigned a short-term rating of **SMERA A4+ (read as SMERA A four plus)** to the Rs. 8.19 crore bank facility of Shiv Electricals (SE). The rating derives comfort from the firm's experienced management, healthy relations with customers and suppliers and healthy order book. However, the rating is constrained by the small scale of operations, geographical concentration risk and high dependence on tender-based orders.

Rating Sensitivity Factors

- Scale of operations and profitability margins
- Geographical diversification

About the Firm

Shiv Electricals, incorporated in 1992, is a Noida-based partnership firm engaged in the installation, setting-up of power sub-station, laying of transmission lines and supply of electrical equipments to government authorities and municipal corporations. The firm has tie-ups with Noida Authority, Greater Noida Industrial Development Authority (GNIDA), Paschimanchal Vidyut Vitaran Nigam Limited (PVVNL) and local municipal corporations with order book worth Rs.22 crore. The operations of the firm are managed by Mr. Raj Kumar.

For FY2013-14, Shiv Electricals reported profit after tax (PAT) of Rs.0.77 crore on operating income of Rs.11.99 crore as compared with PAT of Rs.0.05 crore on operating income of Rs.1.18 crore for FY2012-13. For FY2014-15, the firm reported operating income of Rs.13.62 crore (provisional). The firm's net worth stands at Rs.4.67 crore (provisional) in FY2014-15 as compared with Rs.2.66 crore a year earlier.

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