

November 09, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.00	SMERA B+/Stable (Assigned)
Bank Guarantee	7.50	SMERA A4 (Assigned)

SMERA has assigned a long-term rating of **'SMERA B+' (read as SMERA B plus)** and a short-term rating of **'SMERA A4' (read as SMERA A four)** to the Rs.11.50 crore bank facilities of Satkartar Electronics (SE). The outlook is **'Stable'**.

The ratings are constrained by the small scale of operations, high gearing and moderate coverage indicators. However, the ratings are supported by the experienced management and moderate financial risk profile.

Outlook: Stable

SMERA believes SE will maintain a moderate business risk profile in the medium term on the back of established operations and long standing experience of the proprietor. The outlook may be revised to 'Positive' in case of improvement in profitability and net worth. Conversely, the outlook may be revised to 'Negative' in case of further deterioration in profitability and net worth.

Rating Sensitivity Factors

- Scaling up of operations while improving profit margins
- Efficient working capital management

About the Firm

SE was established as a proprietorship concern in 1960 by Mr. Kuldeep Singh. The firm executes tender based electrical contracts awarded by government departments and private institutions in Delhi, Uttar Pradesh, Haryana among others.

For FY2014-15, the firm reported profit after tax (PAT) of Rs.0.58 crore on operating income of Rs.19.96 crore, as compared with profit after tax (PAT) of Rs.0.58 crore on operating income of Rs.18.13 crore in FY2013-14. The firm's net worth stood at Rs.2.45 crore as on March 31, 2015 against Rs.2.45 crore a year earlier.

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



Satkartar Electronics (SE)

*Rating
Rationale*

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