Rating Rationale

Sai Enterprises

2nd Feb 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Sai Enterprises

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Cash Credit	5.00	Long Term	**BWR B** (Pronounced as BWR Single B) **Outlook: Stable**
Non-Fund Based Bank Guarantee	1.00	Short Term	**BWR A4** (Pronounced as BWR A Four)
Total	**Rs. 6.00 Crores (Rupees Six Crores Only.)**		

***** Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:
BWR has essentially relied upon the audited financial results of the firm up to FY16, Projections for FY17 and publicly available information and information /clarifications provided by the management. The rating has factored, inter alia, the experience of the proprietor in trading business and KOEL Green Genset" being a well know brand in the sector. However, the ratings are constrained by the firm's small scale of operations, low net worth and high competition in generator trading business. Going forward, the ability of the firm to increase its scale of operations by acquiring new contracts , improving margins and capital levels would be key rating sensitivities.

Rating Outlook: Stable
BWR believes the Sai Enterprises business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Firm
Sai Enterprises is a proprietorship concern started in 2007 at Bangalore. The firm is engaged in trading of (KIRLOSKAR OIL ENGINES LIMITED) KOEL Green Genset to various government departments and entities in Karnataka . Mr. K.H.Dinesh is proprietor of the firm.

Firm's Financial Performance
As per audited financial statement of FY16, the firm has reported net sales of Rs. 5.56 crs and net profit of Rs. 0.20 crs against net sales of Rs.3.79 crs and net profits of Rs.0.21 crs in FY15 .

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	5.00	BWR B Outlook : Stable (Pronounced as BWR Single B)	-	-	-
	Bank Guarantee	Short Term	1.00	BWR A4 (Pronounced as BWR A Four)			

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to Applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Trading Entities**
- **Short Term Debt**

For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:
BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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