Rating Rationale

Brickwork Ratings reaffirms long term rating at 'BWR B+' for the Bank Loan Facilities aggregating to ₹ 4.37 Cr of Sreenivasa Industries.

Brickwork Ratings (BWR) has reaffirmed the following **Ratings**[1] for the long term Bank Loan Facilities by State Bank of Mysore to Sreenivasa Industries ('the firm'), previously rated as 'BWR B+' in October, 2013.

Facility	Present Limits (₹ Cr)	Previous Limits (₹ Cr)	Tenure	Present Rating[1]	Previous Rating[1]
Fund Based:					
Cash Credit	**1.50**	1.50	**Long Term**	**BWR B+ (Pronounced BWR B Pus) Outlook: Stable (Re-affirmation)**	BWR B+ (Pronounced BWR B Pus) Outlook: Stable (Oct 2013)
Term Loans	**2.87**	4.42			
Total	**4.37**	5.92	**INR Four Crores and Thirty Seven Lakhs only**		

Note: Term Loans outstanding as of 20th June, 2015

BWR has principally relied upon the audited financial results up to FY14, and information/clarifications provided by the firm.
The rating continues to factor, inter alia, extensive experience of the promoter, established track record and improvement in turnover in FY14. However, the rating remains constrained by low net worth and low scale of operations.

Background:

Sreenivasa Industries is a proprietorship firm started in 2006 by Mr. V. Sreenivasulu Naidu.
The firm is based in Bengaluru (aka Bangalore) and into manufacturing of fabricated sheet metal products (metal cabinets, metal enclosures, etc.) for food processing machines, agri-tech machines, ATMs, electrical devices, telecom products, etc. Mr. V. Sreenivasulu Naidu has over three decades of corporate experience in the same business line. The firm is ISO 9001-2000 certified. It has 50 permanent employees.

Financial Performance:

As per FY14 audited financials, the total operating income has increased to ₹16.30 Crores in FY14, from ₹12.10 Crores in FY13, with operating profit margin of 20.12% and net profit margin of 7.01%. The tangible net worth is at ₹ 6.23 Crores as on 31st March, 2014.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, increase in its scale of operations, retention of existing clients and further expansion of business with increase in client base will be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com