

JUNE 12, 2015

CARE ASSIGNS 'CARE BB-' RATINGS TO THE BANK FACILITIES OF ULTRA READYMIX CONCRETE PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. Crore)	Ratings ¹	Remarks
Long-term Bank Facilities	21.56	CARE BB- (Double B Minus)	Assigned
Total Facilities	21.56		

Rating Rationale

The rating assigned to the bank facilities of Ultra Readymix Concrete Private Limited (URCPL) is constrained by URCPL's moderate scale of operations, working capital intensive nature of operations, financial risk profile marked by high overall gearing and moderate coverage indicators and presence in the highly competitive nature of the construction industry.

The rating, however, derives strength from the vast experience of the promoters in the construction industry, owned asset base rendering operational flexibility & stable operating margins and URCPL's established relationship with customers and suppliers.

Going forward, the ability of the company to increase its scale of operations while prudently managing its working capital requirements along with execution of the proposed expansion project on time without cost overrun would be the key rating sensitivities.

Background

URCPL, established in 2004 by Mr S Sivasamy, is a closely held company with majority of shares being held by the promoter family. The company is engaged in the manufacture and sale of ready-mix concrete, aggregates, blue metal and M-sand catering to the construction industry. The company has 6 RMC units, 2 quarries and a block making unit. As on March 31, 2015, URCPL has an installed capacity of 17, 30,400 Cum of RMC per annum. The company also has a windmill at Palladam, with an installed capacity of 300KVA, which meets 45% of its in-house power requirement.

During FY14 (refers to the period April 1 to March 31), the company reported a net profit of Rs.1.43 crore on a total income of Rs.70.88 crore.

Analyst Contact

Name: Harihara Subramanian C

Tel: 044-28497812

Email: harihara.subramanian@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹Complete definitions of the ratings assigned are available at www.careratings.com and other CARE publications

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CONTACT**Head Office Mumbai****Mr. D.R. Dogra**

Managing Director

Mobile: +91-98204 16002

E-mail: dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Mobile: +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating

Mobile: +91-9819009839

E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069

Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD**Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,

Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

JAIPUR**Mr. Harsh Raj Sankhla**

304, Pashupati Akshat Heights, Plot No. D-91,

Madho Singh Road, Near Collectorate Circle,

Bani Park, Jaipur - 302 016.

Cell: +91 - 94139 69100

Tel: +91-141-402 0213 / 14

E-mail: harshraj.sankhla@careratings.com

BENGALURU**Mr. Dinesh Sharma**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,

No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-99000 41975

Tel: +91-80-4115 0445, 4165 4529

E-mail: dinesh.sharma@careratings.com

KOLKATA**Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)

10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

CHANDIGARH**Mr. Sajan Goyal**

2nd Floor, S.C.O. 196-197, Sector 34-A,

Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

NEW DELHI**Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,

Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,

No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

PUNE**Mr. Rahul Patni**

9th Floor, Pride Kumar Senate,

Plot No. 970, Bhamburda, Senapati Bapat Road,

Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

HYDERABAD**Mr. Saikat Roy**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,

Hyderabad - 500 029.

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

CIN - L67190MH1993PLC071691