

Rating Report

Lakshmi Narayana Constructions

NSIC-CRISIL Rating: SE 3B

**'Moderate Performance Capability
and Moderate Financial Strength'**

indicates the level of creditworthiness,
adjudged in relation to other SSIs



Report Date

February 6, 2012

Valid Till

February 5, 2013

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NSIC-CRISIL PERFORMANCE AND CREDIT RATING

<p>SE 3B indicates 'Moderate Performance Capability and Moderate Financial Strength' adjudged in relation to other SSIs</p>	Financial Strength			
		High	Moderate	Low
	Highest	SE 1A	SE 1B	SE 1C
	High	SE 2A	SE 2B	SE 2C
	Moderate	SE 3A	SE 3B	SE 3C
	Weak	SE 4A	SE 4B	SE 4C
Poor	SE 5A	SE 5B	SE 5C	

RATING HISTORY

Rating	Assigned on	Valid till	Rating acceptance	Type
SE 3C	December 6, 2010	December 5, 2011	Yes	New



KEY RATING DRIVERS

STRENGTHS

- A track record of 15 years indicates the firm's ability to survive business cycles.
- Established relationships with suppliers lead to regular supply of materials.
- Adequate credit protection measures as reflected in the debt-to-equity ratio (not including promoter loans) of 0.20 times as on March 31, 2011, interest coverage of 2.50 times, and net cash accruals at 38.19 per cent of total debt for 2010-11 (refers to financial year, April 1 to March 31).

RISK FACTORS

- Project execution risk: The firm has executed projects with an average size of about 30,000 square feet over the past 15 years. However, only 30.00 per cent of the current project Balaji Nagar Layout (of 3,15,000 square feet) as on February 3, 2012 is completed against 20.00 per cent during 2009-10. The project has been delayed for a year on account of shortage of funds resulting in cost overruns.
 - Also, the firm had proposed a project RVR Garden of about 60,000 square feet, which was expected to commence in 2011, the project has not commenced on account of shortage of funds. The ability of the firm to execute projects of high magnitude in a timely manner remains to be demonstrated.
 - The firm has many ongoing projects simultaneously, which may strain liquidity position of the firm.
- Saleability risk: The firm has current projects with a large proportion of untied sales, hence the saleability of the projects remains to be seen.
- Moderate profitability as reflected in the operating margin (OPBDIT) of 7.17 per cent, profit after tax (PAT) margin of 3.99 cent, and return on capital employed (RoCE) of 9.99 per cent during 2010-11.



FACT SHEET

Name of the firm	Lakshmi Narayana Constructions
Year of establishment	1996
Legal status	Proprietorship
Legal history	There has been no change in the constitution of the firm since inception.
Registered with	Not applicable
Registration number	Not applicable
SSI Registration number	28 013 22 00349 dated October 23, 2010
Proprietor	Mr. Ravipalli Venkata Ramana Murthy
Category of entrepreneur	General
Listed at	Not applicable
Registered, administrative office and service facility	Door No. 47-10-6, Sri Pada Towers, Near Diamond Park, Dwaraka Nagar, Visakhapatnam – 530 016, Andhra Pradesh Tel: +91 891 645 8864 Fax: +91 891 663 5953 Email: md@rayinfosolutions.com
Number of employees	Permanent: 18 Contractual: 280 Total: 298
Certifications and awards	ISO 9001:2008 valid upto November 16, 2013
Brands	None
Statutory compliance	<ul style="list-style-type: none"> • Income tax filing: Regular and timely • Excise duty filing: Not applicable • Sales tax filing: Regular and timely • Wealth tax filing: Not applicable • ESIC and EPF dues: Not applicable
	<i>(As provided by the management, not independently verified)</i>



KEY DEVELOPMENTS DURING 2010-11

Turnover:

As per the earlier rating exercise, the firm had projected net sales of Rs.350.00 lakh for the year ended March 31, 2011, against which it has achieved net sales of Rs.208.84 lakh during the same period. The firm was not able to achieve the projected turnover on account of delay in execution of the project Balaji Nagar Layout due to shortage of funds.

Projects completed during the 2010-11:

Particulars	Remarks
Project name	Balaji Enclave
Type of project	Construction of commercial and residential complex
Project start date	October 2008
Completion date	November 2010
Saleable area	20,000 square feet
Sale value of project (in Rs. Lakh)	400.00

Particulars	Remarks
Project name	Shankar Plaza
Type of project	Construction of commercial and residential complex
Project start date	March 2009
Completion date	December 2010
Saleable area	15,000 square feet
Sale value of project (in Rs. Lakh)	350.00



BUSINESS PROFILE

BUSINESS DESCRIPTION

Nature of business	:	Services
Industry	:	Real estate – Residential/Commercial construction
Industry prospects	:	Moderate
Business description	:	<ul style="list-style-type: none"> • The firm undertakes development/promotion of residential and commercial flats, buildings, shopping complex, and other industrial estates. • Since inception, the firm has completed 25 real estate – construction projects, admeasuring more than 7.60 lakh square feet apart from the development of vacant plots of land admeasuring 70,000 square yards.
Experience in the business	:	15 years
Product range	:	Diverse
Degree of competition	:	High; entry barriers are high
Customer profile	:	Direct customers

BUSINESS MODEL

Own construction on a standalone basis:

- The firm is into construction of residential and commercial properties. The residential properties are sold to individual customers, whereas the commercial projects are given on a lease-rental basis or sold outright.
- The construction activities are partially executed by the firm as well outsourced through external vendors (contractors). The firm's responsibilities include:
 - Acquiring land
 - Project planning and preparation of layouts/drawings
 - Obtaining necessary approvals
 - Arrangement of funds
 - Supervision and execution of construction activities
 - Marketing of the project
 - Handing over the project to clients
 - Post handover maintenance
- Activities including plumbing, installation of electrical fittings, and interior development are outsourced to sub-contractors.



Details of major projects executed by the firm in the past:

Particulars	Remarks
Project name	Gayatri Educational Trust
Project details	Construction of office building and residential hostel blocks
Project start date	May 1997
Completion date	November 1999
Saleable area	Around 30,000 square feet
Sale value of the project (in Rs. Lakh)	225.00

Particulars	Remarks
Project name	Vikas Educational Institute
Type of project	Construction of college building and hostel blocks
Project start date	February 1999
Completion date	December 2000
Saleable area	30,000 square feet
Sale value of the project (in Rs. Lakh)	240.00

Particulars	Remarks
Project name	Siva Ganga Cold Storage
Type of project	RCC framed Structure
Project start date	May 2001
Completion date	July 2002
Saleable area	25,000 square feet
Sale value of the project (in Rs. Lakh)	236.00

Particulars	Remarks
Project name	Bank of India
Type of project	Construction of concrete currency chest
Project start date	November 2002
Completion date	August 2003
Saleable area	Not applicable
Sale value of the project (in Rs. Lakh)	60.00

Particulars	Remarks
Project name	Sita Ramaraju Foundations
Type of project	Construction of two commercial buildings
Project start date	May 2003
Completion date	September 2005
Saleable area	31,000 square feet
Sale value of the project (in Rs. Lakh)	354.95



Particulars	Remarks
Project name	Balaji Enclave
Type of project	Construction of commercial cum residential complex
Project start date	October 2008
Completion date	November 2010
Saleable area	20,000 square feet
Sale value of the project (in Rs. Lakh)	400.00

Particulars	Remarks
Project name	Shankar Plaza
Type of project	Construction of commercial cum residential complex
Project start date	March 2009
Completion date	December 2010
Saleable area	15,000 square feet
Sale value of the project (in Rs. Lakh)	350.00

Details of ongoing projects:

Project -1

Particulars	Remarks
Project name	Balaji Residency
Type of project	Construction of residential complex
Project start date	April 2011
Estimated completion date	April 2013
Saleable area	30,000 square feet
Sale value of the project (in Rs. Lakh)	600.00
Pricing per square feet (in Rs.)	2,000.00
Number of flats	25 flats of 1,200.00 square feet each
Per cent work completed as on February 3, 2012	40.00 per cent
Terms of receiving the payment	Based on milestones achieved
Sales tied-up till date	15 flats

Project cost	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh	Means of financing	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh
Land cost	135.00	135.00	Loan from bank	125.00*	-
Site development cost	20.00	10.00	Other unsecured loans	45.00	22.00
Construction cost	300.00	100.00	Promoter's contribution	160.00	160.00
Other expenses	20.00	10.00	Booking money	150.00	75.00
Architect fees	05.00	02.00			
Total	480.00	257.00		480.00	257.00

*Not applied yet



Project -2

Particulars	Remarks
Project name	Surya Residency
Type of project	Construction of residential complex
Project start date	May 2011
Estimated completion date	May 2013
Saleable area	30,000 square feet
Sale value of the project (in Rs. Lakh)	540.00
Pricing per square feet (in Rs.)	1,800.00
Number of flats	25 flats of 1,200.00 square feet
Per cent work completed as on February 3, 2012	30.00 per cent
Terms of receiving the payment	Based on milestones achieved
Sales tied-up till date	12 flats

Project cost	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh	Means of financing	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh
Land cost	75.00	75.00	Loan from bank	150.00*	-
Site development cost	20.00	20.00	Other unsecured loans	45.00	07.00
Construction cost	300.00	30.00	Promoter's contribution	100.00	80.00
Other expenses	10.00	10.00	Booking money	115.00	50.00
Architect fees	05.00	02.00			
Total	410.00	137.00		410.00	137.00

*Not applied yet

Project -3

Particulars	Remarks
Project name	Lakshmi Residency
Type of project	Construction of residential complex
Project start date	May 2011
Estimated completion date	May 2013
Saleable area	24,000 square feet
Sale value of the project (in Rs. Lakh)	500.00
Pricing per square feet (in Rs.)	2000.00
Number of flats	20 flats of 1,200.00 square feet
Per cent work completed as on February 3, 2012	40.00 per cent
Terms of receiving the payment	Based on milestones achieved
Sales tied-up till date	8 flats



Project cost	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh	Means of financing	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh
Land cost	105.00	105.00	Loan from bank	100.00*	-
Site development cost	20.00	20.00	Other unsecured loans	50.00	12.00
Construction cost	250.00	25.00	Promoter's contribution	120.00	100.00
Other expenses	15.00	10.00	Booking money	125.00	50.00
Architect fees	05.00	02.00			
Total	395.00	162.00		395.00	162.00

*Not applied yet

Project -4

Particulars	Remarks
Project name	Lakshmi Narayana Enclave
Type of project	Construction of residential complex
Project start date	September 2011
Estimated completion date	May 2013
Saleable area	12,000 square feet
Sale value of the project (in Rs. Lakh)	360.00
Pricing per square feet (in Rs.)	3,000.00
Number of flats	10 flats of 1,200.00 square feet
Per cent work completed as on February 3, 2012	50.00 per cent
Terms of receiving the payment	Based on milestones achieved
Sales tied-up till date	5 flats

Project cost	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh	Means of financing	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh
Land cost	200.00	200.00	Loan from bank	50.00*	-
Site development cost	20.00	20.00	Other unsecured loans	40.00	19.00
Construction cost	120.00	12.00	Promoter's contribution	140.00	140.00
Other expenses	10.00	05.00	Booking money	125.00	80.00
Architect fees	05.00	02.00			
Total	355.00	239.00		355.00	239.00

*Not applied yet



Project -5

Particulars	Remarks
Project name	Balaji Nagar Layout
Type of project	Duplex houses and villas
Project start date	April 2009
Estimated completion date	December 2013
Total plot area	About 8.50 acres
Saleable area	3,15,000 square feet
Number of houses	200 of 1500.00 square feet
Location advantage	Proximity to National Highway-5 and Visakhapatnam Airport
Sale value of the project (Rs. Lakh)	4,400.00
Total cost of the project (Rs. Lakh)	3,010.00
Pricing (per square feet)	Rs.1,500.00 per square feet
Per cent work completed as on February 3, 2012	30.00 per cent
Terms of receiving the payment	Based on milestones achieved
Sales tied-up till date	30 flats

Project cost	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh	Means of financing	Total amount Rs. Lakh	Incurred till February 3, 2012 Rs. Lakh
Land cost	350.00	350.00	Loan from bank	350.00	-
Site development cost	200.00	200.00	Other unsecured loans	300.00	15.00
Construction cost	2,400.00	240.00	Promoter's contribution	610.00	460.00
Other expenses	50.00	50.00	Booking money	1,750.00	375.00
Architect fees	10.00	10.00			
Total	3,010.00	850.00		3,010.00	850.00

Note:

- The firm was expected to complete 70.00 per cent of the Balaji Nagar Layout Project during the year 2010-11. However, due to shortage of funds, the firm was able to complete only 30.00 per cent of the project as on February 3, 2012. This has resulted in cost overruns in the project.
- The execution of the Balaji Nagar Layout project may get delayed further as the funds for the project are not yet tied up.



Upcoming Projects:

Project Name	Area (In Sq. ft.)	Sale Value of the Project (in Rs. Lakh)	Year of commencement	Year of Completion
R V R Gardens*	60,000	1,800.00	April 2012	April 2014

* R V R Gardens project is at a nascent stage and the funding pattern for the project and other details have not yet been finalised.

CUSTOMER PROFILE AND DEMAND-SIDE ANALYSIS

The firm's customer profile comprises both retail and corporate/institutional clients.

Terms of credit	:	Booking/Advance amount and payment in installments.
Process of getting orders	:	Retail customers; there is no order book.
Exports	:	Nil
Marketing network	:	<ul style="list-style-type: none"> The firm has a marketing team of 15 executives who undertake visits to prospective clients to procure orders. The firm also undertakes marketing through local newspapers, magazines, local cable channel.
Geographical reach	:	Limited to one state (Andhra Pradesh)

SUPPLIER PROFILE AND SUPPLY-SIDE ANALYSIS

Supplier's / Wholesaler's name	Product	Length of relationship
A. S. Steels	Steel and cement	7 years
Rathi Sales	Plumbing and sanitary accessories	6 years
Das Suppliers	Sand and bricks	6 years
Santosh Crushers	Metal components	6 years

Terms of purchase	:	Credit upto 60 days
Raw material availability	:	Ample
Raw material price volatility	:	High
Ability to pass on raw material price increases	:	No
Imports	:	Nil



SERVICE FACILITIES

Labour oriented operations	:	Yes
Labour union	:	No
Labour relationships	:	Cordial
Automation	:	Yes (semi-automated)
In-house R&D, designing facilities	:	No
Service layout	:	Spacious and well-organised



OWNERSHIP AND MANAGEMENT

PROMOTERS' PROFILE

Proprietor's name	:	Mr. Ravipalli Venkata Ramana Murthy
Age	:	45 years
Qualification	:	MBA and LLB
Designation / responsibilities	:	Proprietor / Overall management
Relevant experience	:	15 years through this firm
Personal net worth	:	Rs.4,036.26 lakh (<i>liquid networth – Rs.45.00 lakh</i>)
Promoter's residence address	:	Flat No. 310, Visakhi Residency, Opposite Sampat Vinayaka Temple, Waltair Uplands, Visakhapatnam – 530 002, Andhra Pradesh
Ownership of residence	:	Self-owned
Vehicles used	:	Mahindra Scorpio

The personal net worth of the promoters is as disclosed by the management and not certified.

ORGANISATION STRUCTURE, CONTROLS, AND SYSTEMS

Proprietor	:	Mr. Ravipalli Venkata Ramana Murthy
Constitution	:	Proprietorship
Second tier management	:	Qualified and experienced
Decision making powers	:	Centralised with the promoters
Reporting system or MIS	:	Yes
Type of reporting system	:	Computerised
Frequency of MIS / reporting	:	Daily
Litigations against the SSI	:	None
Litigations against the promoters	:	None
Severity of litigations	:	Not applicable
Susceptibility to foreign exchange fluctuations	:	Not applicable
Hedging against foreign exchange risks	:	Not applicable
Susceptibility to commodity price fluctuations	:	Not applicable
Hedging against commodity prices	:	Not applicable
Asset insurance	:	Adequate



OWNERSHIP PATTERN

Not applicable

GROUP COMPANIES AND FIRMS

There are no group companies and firms.



FINANCIAL PROFILE

CURRENT FINANCIAL PERFORMANCE

Performance for the period ended		31-Jan-12
Revenues	Rs. Lakh	405.00
PBT	Rs. Lakh	Data not provided to CRISIL
PBT margin	%	
Current order book	Rs. Lakh	

Notes:

- **Total debt (outstanding as on February 3, 2012): Rs.22.00 lakh**
 - Short term debt: Nil
 - Long term debt: Personal loan of Rs.10.00 lakh from State Bank of India Limited and home loan of Rs.11.00 lakh from United Bank of India Limited.
 - Unsecured loans: Rs.1.00 lakh from promoter's friends and family
- Details of revenue (booking money) registered during the period April 1, 2011 to January 31, 2012:
 - Balaji Residency: Rs.75.00 lakh
 - Surya Residency: Rs.50.00 lakh
 - Laksmi Residency: Rs.50.00 lakh
 - Lakshmi Narayana Enclave: Rs.80.00 lakh
 - Balaji Nagar Layout: Rs.150.00 lakh

Projected / estimated performance during		2011-12
Net sales	Rs. Lakh	260.00
PBT	Rs. Lakh	Data not provided to CRISIL
PBT margin	%	

**Management's estimate*



PAST FINANCIAL PERFORMANCE**PROFIT AND LOSS ACCOUNT**

For the year ended		2010-11	2009-10	2008-09
		Audited	Audited	Audited
Number of months		12	12	12
Net sales	Rs. Lakh	208.84	375.80	264.20
Operating income	Rs. Lakh	208.84	375.80	264.20
Cost of sales	Rs. Lakh	193.86	368.97	252.69
OPBDIT	Rs. Lakh	14.98	6.83	11.51
Interest and finance costs	Rs. Lakh	6.53	1.81	2.61
OPBDT	Rs. Lakh	8.45	5.01	8.91
Depreciation	Rs. Lakh	1.47	2.00	3.01
OPBT	Rs. Lakh	6.98	3.01	5.89
Non-operating income / (expense)	Rs. Lakh	1.36	0.78	0.78
PBT	Rs. Lakh	8.34	3.79	6.67
Extraordinary income / (expense)	Rs. Lakh	-	-	-
Reported PBT	Rs. Lakh	8.34	3.79	6.67
Provision for taxes	Rs. Lakh	-	0.19	-
Deferred tax liability / (asset)	Rs. Lakh	-	-	-
PAT	Rs. Lakh	8.34	3.60	6.67
Dividends	Rs. Lakh	-	-	-
Net cash accruals	Rs. Lakh	9.81	5.60	9.69

Notes:

- Sales for the year 2010-11 declined on account of delay in the Balaji Nagar Layout project due to shortage of funds for the execution.
- Interest and finance cost for the year ended March 31, 2011 comprises interest on borrowings of Rs.6.38 lakh and bank charges of Rs.0.15 lakh.
- Non-operating income for the year ended March 31, 2011 comprises interest earned of Rs.0.36 lakh and agriculture income of Rs.1.00 lakh.
- Depreciation is provided as per the Income Tax Act of 1961.
- Details regarding the provision for tax for 2010-11 and 2008-09 are not provided to CRISIL.



BALANCE SHEET

		31-Mar-2011	31-Mar-2010	31-Mar-2009
		Audited	Audited	Audited
Liabilities				
Capital	Rs. Lakh	121.19	57.22	47.15
Deferred tax liabilities / (assets)	Rs. Lakh	-	-	-
Long-term debt	Rs. Lakh	25.69	93.62	23.46
<i>of which, current portion of long-term debt</i>	<i>Rs. Lakh</i>	-	-	-
Short-term debt	Rs. Lakh	-	-	-
<i>of which, working capital borrowing from banks</i>	<i>Rs. Lakh</i>	-	-	-
Other liabilities and provisions	Rs. Lakh	0.81	0.82	23.35
Total liabilities	Rs. Lakh	147.69	151.66	93.96
Assets				
Net fixed assets	Rs. Lakh	64.78	66.26	38.58
Investments	Rs. Lakh	14.63	14.14	1.05
Inventory	Rs. Lakh	9.50	-	33.10
Receivables (total)	Rs. Lakh	-	-	-
<i>of which, receivables greater than six months</i>	<i>Rs. Lakh</i>	-	-	-
Cash and bank balance	Rs. Lakh	1.01	-	19.50
Other current assets	Rs. Lakh	57.77	71.26	1.73
Total assets	Rs. Lakh	147.69	151.66	93.96

Notes:

- Tangible net worth as on March 31, 2011 increased on account of capital infusion during the year.
- Long-term debt as on March 31, 2011 comprises home loan of Rs.12.15 lakh from United Bank of India Limited, personal loan of Rs.12.53 lakh, and unsecured loans from promoters' friends and family of Rs.1.01 lakh. *The firm does not pay any interest on unsecured loans.*
- Other current liabilities as on March 31, 2011 comprise creditors for goods of Rs.0.47 lakh, provision for income tax of Rs.0.18 lakh, and other regular provisions of Rs.0.16 lakh.
- Investments as on March 31, 2011 comprise life insurance policies of Rs.14.63 lakh.
- Other current assets as on March 31, 2011 comprise loans and advances of Rs.56.27 lakh and other deposits of Rs.1.50 lakh.



KEY FINANCIAL RATIOS

For the year ended / as at		31-Mar-2011	31-Mar-2010	31-Mar-2009
		Audited	Audited	Audited
OPBDIT margin	%	7.17	1.82	4.36
PAT margin	%	3.99	0.96	2.53
Return on capital employed	%	9.99	5.06	15.13
Gross current assets	days	119	69	75
Days inventory (on COP)	days	18	-	48
Days receivable (on gross sales)	days	-	-	-
Days payable (on materials)	days	2	1	57
Current ratio	Times	5.12	2.16	2.01
PBDIT Interest cover	Times	2.50	4.19	4.72
Net cash accruals/Total debt	%	38.19	5.99	41.29
Debt service coverage ratio	Times	2.62	-0.45	1.38
Average cost of borrowing	%	10.95	3.10	17.83
Total outside liabilities/Capital	Times	0.22	1.65	0.99
Gearing - Total debt/Capital	Times	0.21	1.64	0.50
Gearing (not including promoter loans as debt)	Times	0.20	1.59	0.34

Notes:

- Operating margin during 2010-11 is high on account of increase in the prices of the real estate.
- Average cost of borrowing is low for the year 2009-10 on account of high year-end debt.



FUND FLOW STATEMENT

For the year ended		31-Mar-2011	31-Mar-2010
Sources of funds			
Net cash accruals	Rs. Lakh	9.81	5.60
Equity infusion / Share application money	Rs. Lakh	55.63	6.47
Long-term debt borrowed (net)	Rs. Lakh	-	41.60
Short-term debt borrowed (net)	Rs. Lakh	-	28.56
Decrease in net current assets	Rs. Lakh	2.97	-
Sale of investments / fixed assets	Rs. Lakh	0.01	-
Other sources	Rs. Lakh	-	-
Total sources of funds	Rs. Lakh	68.42	82.23
Uses of funds			
Investment and fixed assets purchased	Rs. Lakh	0.49	42.77
Decrease in tangible net worth	Rs. Lakh	-	-
Long-term debt repaid (net)	Rs. Lakh	48.23	-
Short-term debt repaid (net)	Rs. Lakh	19.70	-
Increase in net current assets	Rs. Lakh	-	39.46
Other uses	Rs. Lakh	-	-
Total uses of funds	Rs. Lakh	68.42	82.23

Notes:

- Decrease in net current assets for the year 2010-11 refers to decrease in loans and advances.
- Increase in net current assets for the year 2009-10 refers to increase in loans and advances.

CONTINGENT LIABILITIES**Contingent liabilities as on March 31, 2012**

None

AUDITORS

Polineni Associates, Chartered Accountants,
Dwarakanagar, Visakhapatnam – 530 016, Andhra Pradesh

Auditors' adverse comments and observations in their audit report for 2010-11, 2009-10, and 2008-09

None

Change in auditors, if any

None

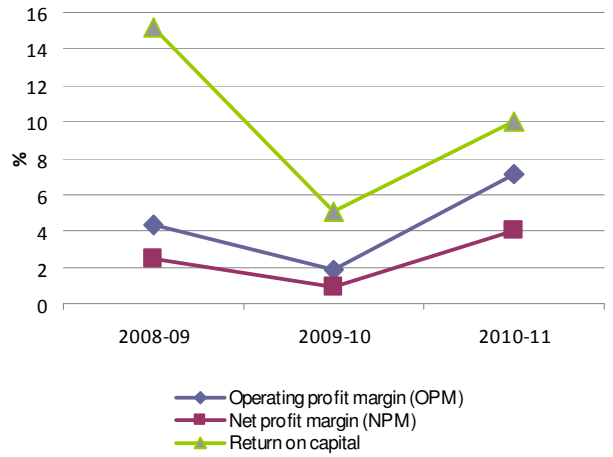


GRAPHS

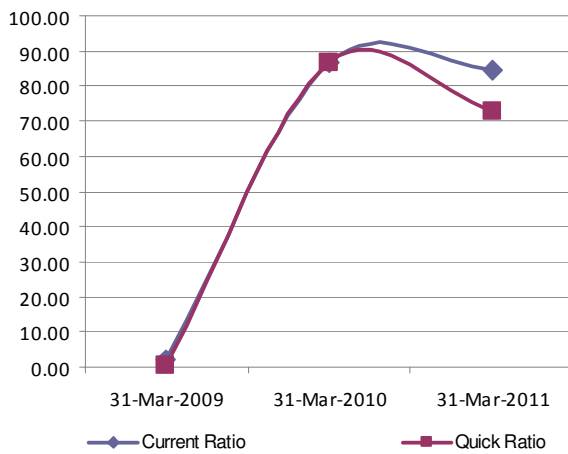
Turnover and business growth analysis



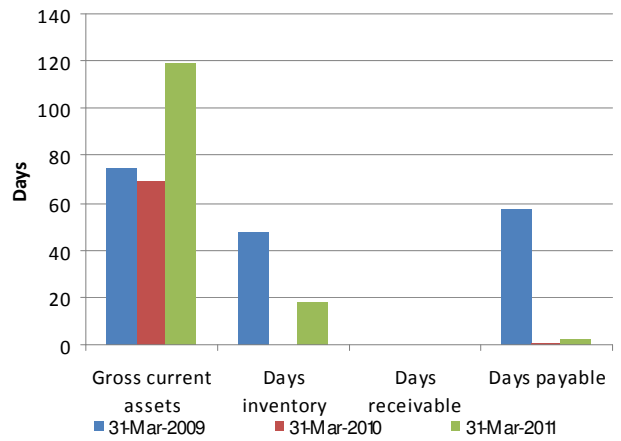
Profitability analysis



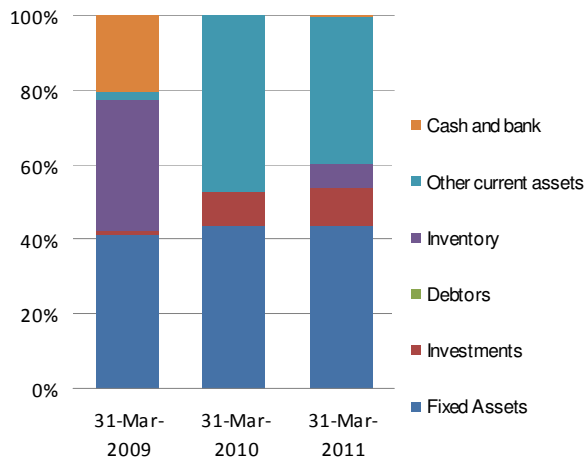
Liquidity analysis



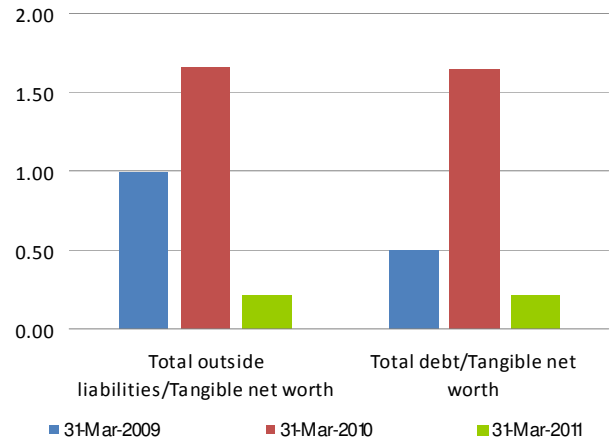
Working capital analysis



Asset Profile



Leverage analysis



BANKING FACILITIES

Name and location of the bank	Length of relationship	Facilities availed	Type of facility	Loan amount	Rate (%)
State Bank of India, Main Branch, Radnam Gardens, Visakhapatnam, Andhra Pradesh	5 years	Personal loan	Fund-based limit	Rs.10.00 lakh*	Data not provided to CRISIL
Union Bank of India, Visakhapatnam, Andhra Pradesh	5 years	Home loan	Fund-based limit	Rs.11.00 lakh*	

*Outstanding as on February 3, 2012

Feedback : The performance of the account is good. CRISIL has received the information verbally from the bank.



SITE VISIT

As per previous report

Address of the site visited	:	Door No. 47-10-6, Sri Pada Diamond Towers, Near Diamond Park, Dwaraka Nagar, Visakhapatnam - 530 016, Andhra Pradesh
Date of site visit	:	November 18, 2010
No. of floors occupied	:	One
Size of premises	:	3,500 square feet
Number of employees at the location	:	12 (<i>employees present at the time of site visit</i>)
Child labour at the site	:	No
Locality	:	Commercial
Location area	:	Urban
Site location	:	Main road
Site used as	:	Administrative office Sales office
Site layout	:	Spacious and well-organised
Space around the building / structure	:	<ul style="list-style-type: none"> • Front porch • Backyard • Side space
Location advantages	:	None
State of infrastructure	:	<ul style="list-style-type: none"> • Power: Stable • Back up power: Available • Water: Available • Labour unions: Do not exist • Transportation: Easily available • Overall infrastructure: Satisfactory
Electricity consumption	:	Data not provided to CRISIL
Building structure	:	Permanent structure
Ownership of premises	:	Leased
Sharing premises with group entities	:	No
Facilities available at the site	:	<ul style="list-style-type: none"> • Telephone • Generator • Security guards • Name or sign boards • Fire extinguisher • Drinking water • Transport arrangement • Boundary wall • Drainage and sewerage • Pantry and canteen



CRISIL SME Ratings Contacts

Head Office

CRISIL House
Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076
Tel: +91 22 3342 3000 / 8400
Fax: +91 22 3342 3757

Contact:

Mr. Kashif Khan
E-mail: kkhan@crisil.com
Mr. Avinash Gidwani
E-mail: agidwani@crisil.com
Mr. Sujit Agrawal
E-mail: smagrawal@crisil.com

Pune

1187/17, Ghole Road
Shivaji Nagar
Pune 411 005
Tel: +91 20 4018 1900
Fax: +91 20 4018 1930

Contact:

Mr. Prashant Borole
E-mail: pborole@crisil.com
Mr. Rahul Prasad
E-mail: rprasad@crisil.com
Mr. Uday Revankar
E-mail: urevankar@crisil.com
Mr. Shriganesh Pardhi
E-mail: spardhi@crisil.com

Ahmedabad

706, 7th Floor, Venus Atlantis
Vejalpur, Near Reliance Petrol Pump
Anandnagar to Prahladnagar Road
Satellite, Ahmedabad 380 015
Tel: +91 79 4024 4500
Fax: +91 79 4024 4520

Contact:

Mr. Arunraj Rajmohan
E-mail: arajmohan@crisil.com

New Delhi

The Mira
G-1, First Floor, Plot No 1& 2
Ishwar Nagar, (Near Okhla Crossing)
New Delhi 110 065
Tel: +91 11 4250 5141 / 50
Fax: +91 11 2684 2212

Contact:

Mr. Abhik Sen
E-mail: absen@crisil.com
Mr. Kunal Raman
E-mail: kraman@crisil.com
Mr. Tejendra Kushwaha
E-mail: tkushwaha@crisil.com

Kolkata

HORIZON, 4th Floor, Block B
57, Chowringhee Road
Kolkata 700 071
Tel: +91 33 2289 1949/4011 8200
Fax: +91 33 2283 0597

Contact:

Ms. Jhumur Chowdhury
E-mail: jchowdhury@crisil.com
Mr. Tarun Ganguly
E-mail: tganguly@crisil.com

Chennai

Thapar House, Mezzanine Floor
43/44, Montieth Road, Egmore
Chennai 600 008
Tel: +91 44 6616 3100
Fax: +91 44 2854 7531

Contact:

Mr. B. Venugopal
E-mail: bvenugopal@crisil.com
Mr. Varaprasad Godi
E-mail: varag@crisil.com
Mr. Harikrishnan A
E-mail: ha@crisil.com

Bengaluru

W 101, Sunrise Chambers
22, Ulsoor Road, Bengaluru 560 042
Tel: +91 80 2558 0899
Fax: +91 80 2559 4801

Contact:

Mr. Sudhir Nayana
E-mail: snayana@crisil.com
Mr. Ravikiran Apte
E-mail: raapte@crisil.com
Mr. Kashiraya Kadaganchi
E-mail: kkadaganchi@crisil.com

Hyderabad

3rd Floor, Uma Chamber
Plot no 9 & 10, Nagarjuna Hills,
Punjagutta, X Road
Hyderabad 500 082
Tel: +91 40 2335 8103/05
Fax: +91 40 2335 7507

Contact:

Mr. Mansur Basha
E-mail: mbasha@crisil.com
Mr. Rahul Deshpande
E-mail: radeshpande@crisil.com

Coimbatore

New No. 750-7, Old No. 1055-6
1st Floor, Gowtham Centre
Opp. Nilgiri Nest, Avinashi Road
Coimbatore 641 018
Tel: +91 422 224 4559

Contact:

Mr. Abraham L
E-mail: al@crisil.com

Surat

811, 8th Floor, Rajhans Complex
Opp. J K Tower, Ring Road
Surat 395 002
Tel: +91 261 400 2230

Contact:

Mr. Devesh Kemkar
E-mail: dkemkar@crisil.com

Nashik

1, Deep Aarti Apartments
Opp. Bohora Park, Gangapur Road
Nasik 422 002

Contact:

Mr. Pratik Shukla
E-mail: pshukla@crisil.com

Jaipur

C/14/13, 1st Floor, Shopping Centre
Swarn Path Mansarovar, Jaipur 302 020
Phone: +91 141 302 1688/81

Contact:

Mr. Vikas Banthia
E-mail: vikbanthia@crisil.com

Jamshedpur

Office No 7
Meghdeep Building, 2nd Floor
"Q" Road, Bistupur, P.S. Bistupur
Jamshedpur, Singhbhum (East)
Jharkhand 831 001

Phone: +91 657 654 5958

Mr. Abhishek Kumar

E-mail: abhkumar@crisil.com

Raipur

323, 3rd Floor, Crystal Arcade
Lodipara Chowk, Shankar Nagar Road
Raipur 492 001

Tel: +91 771 409 9997

Contact:

Mr. Yash Naidu
E-mail: ynaidu@crisil.com

Indore

422, 4th Floor, Raffel Tower
8/2, Old Palasia, Indore 452 001
Tel: +91 731 402 0042

Contact:

Mr. Amit Jajora
E-mail: ajajora@crisil.com

Ludhiana

Sai Tower 202, Industrial Area
Ludhiana 141 003
Tel: +91 161 501 1575

Contact:

Mr. Munish Dhawan
E-mail: mdhawan@crisil.com
Ms. Manisha Sharma
E-mail: mnsharma@crisil.com
Mr. Vishal Sood
E-mail: vsood@crisil.com
Mr. Abhinandan Sharda
E-mail: asharda@crisil.com

Kochi

40/2908, F-14, 4th Floor
Penta Menaka, Marine Drive
Kochi 682 031
Phone +91 484 237 3337

Contact:

Mr. Martin George
Email: mgeorge@crisil.com

Vadodara

509, Centre Point, R.C.Dutt Road
Alkapuri, Vadodara 390 007
Tel: +91 265 3025 946

Contact:

Mr. Prashant Menon
E-mail: pmenon@crisil.com

Visakhapatnam

Cabin No.S-5, Vishaka Business Centre,
46-19-5, Manda Vari Street, Dondaparthi,
Visakhapatnam 530 016
Tel: +91 891 6661 770

Contact:

Mr. Kanuparth Vamsi
E-mail: vkanuparth@crisil.com