

July 17, 2015

Facilities	Amount(Rs. Crore)	Ratings
Cash Credit	5.00	SMERA BB-/Stable (Assigned)
Bank Guarantees	2.50	SMERA A4+ (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB-**' (read as **SMERA double B minus**) and a short-term rating of '**SMERA A4+**' (read as **SMERA Afour plus**) to the Rs.7.50 crore bank facilities of Markoline Infra Private Limited (MIPL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, reputed clientele and healthy financial profile. However, the ratings remain constrained by the nascent stage of operations followed by small scale of operations.

Outlook: Stable

SMERA believes the outlook will remain Stable over the medium term on the back of a strong financial risk profile. The outlook may be revised to 'Positive' in case the company achieves higher than expected revenues while maintaining profitability. The outlook may be revised to 'Negative' in case of deterioration in the capital structure of the company leading to stretch in liquidity.

About the Company

MIPL, established in 2005 is engaged in the maintenance and operation of highways. The company undertakes toll operations, route patrolling, incident management, and asset management among others.

For FY2013-14, MIPL reported profit after tax (PAT) of Rs.0.51 crore on operating income of Rs.11.69 crore, as compared with PAT of Rs.0.29 crore on operating income of Rs.7.33 crore in FY2012-13. For FY2014-15, the company reported PAT of Rs.1.32 crore (provisional) on operating income of Rs.20.41 crore (provisional). The company's net worth stood at Rs.2.60crore as on March 31, 2014, as compared with Rs.1.28crore a year earlier.

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