

Narula Infrastructure Private Limited: Reaffirmed

Facility	Amount (Rs Crore)	Rating
Bank Guarantee	17.00	SMERA A4+ (Reaffirmed)

SMERA has reaffirmed the short term rating of '**SMERA A4+**' (**read as SMERA A four plus**) on the above mentioned Rs.17.00 crore bank facility of Narula Infrastructure Private Limited (NIPL). The outlook is '**Stable**'.

The rating continues to draw support from the experienced management, healthy business risk profile, moderate financial risk profile and reputed customer base. However, the rating is constrained by the tender based operations of the company.

Update

NIPL benefits from its experienced management. Mr. Haranjit Singh, Director has more than two decades of experience in civil construction.

The revenues of NIPL increased from Rs.42.54 crore in FY2013-14 to Rs.65.36 crore in FY2014-15. Further, NIPL registered sales of Rs.83.34 crore (provisional) in FY2015-16. As on September 2016 the company has an order book of Rs.118 crore which is to be executed by March 2017. The EBIDTA margins improved from 4.53 per cent in FY2013-14 to 6.29 per cent in FY2014-15. However, the PAT margins declined from 5.70 per cent in FY2013-14 to 3.30 per cent in FY2014-15. The financial risk profile of the company continues to be moderate marked by ICR of 5.46 times as on March 31, 2015. Further, the networth stood at Rs.16.03 crore as on March 31, 2015 as compared to Rs. 13.88 crore as on March 31, 2014.

The company is engaged in civil construction work and maintenance of telecommunication towers. It caters to reputed clients such as Indus Tower Limited, Reliance Corporate IT Park Limited and Eastern Railways to name a few.

However, being a civil contractor, NIPL's revenues depend on the successful bids and tenders released in the financial year.

Rating Sensitivity Factors

- Timely completion of projects
- Maintaining profitability margins

About the Company

NIPL is a Kolkata-based company incorporated in 2005 by Mr. Haranjit Singh, Mr. Amrik Singh and Mr. Taranjit Singh. The company is engaged in civil construction and maintenance and erection of telecommunication towers.

For FY2014-15, the company registered profit after tax (PAT) of Rs.2.15 crore on operating income of Rs.65.36 crore as against PAT of Rs.2.43 crore on operating income of Rs.42.54 crore in FY2013-14. For FY2015-16 (provisional), the company registered PAT of Rs. 5.65 crore on operating income of Rs. 83.34 crore.

Rating History

Date	Facilities	Amount (Rs. Crore)	Rating		Rating Outlook
			Long Term	Short Term	
29 July, 2015	Bank Guarantee	17.00	-	SMERA A4+ (Assigned)	-

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ABOUT SMERA

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