

July 29, 2015

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

SMERA has assigned a short-term rating of '**SMERA A4+**' (read as **SMERA A four plus**) to the above mentioned bank facility of Narula Infrastructure Private Limited (NIPL). The rating is constrained by the company's modest-scale of operations and high creditor days. However, the rating is supported by the company's experienced management and healthy business risk profile.

NIPL, incorporated in 2005, is a Kolkata-based company that is mainly into maintenance of telecommunication towers. The company has modest scale of operations with operating income of Rs.42.54 crore in FY2013-14 as compared with Rs.36.53 crore in FY2012-13. The payable days has remained high and stood at 318 days for FY2013-14 (refers to financial year, April 01 to March 31).

The company benefits from its experienced management. Mr. Haranjit Singh, the Director, has around two decades of experience in the line of business. NIPL has healthy business risk profile marked by RoCE of 16.95 per cent in FY2013-14 (refers to financial year, April 01 to March 31).

Outlook: Stable

SMERA believes NIPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' in case the company registers strong growth in scale of operations while achieving sustained improvement in profitability. The outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues, or deterioration in the financial risk profile.

About the Company

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

For FY2013-14, NIPL registered profit after tax (PAT) of Rs.2.43 crore on revenue of Rs.42.54 crore, as compared with PAT of Rs.1.04 crore on revenue of Rs.36.53 crore in FY2012-13. The company registered revenue of Rs.75.46 crore (provisional) for FY2014-15. NIPL's net worth stood at Rs.13.88 crore as on March 31, 2014, as compared with Rs.11.45 crore a year earlier.

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SMERA RATINGS LIMITED

Narula Infrastructure Pvt Ltd (NIPL)

Rating
Rationale

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