



SMERA RATINGS LIMITED

# The United Multi State Credit Co-operative Society Limited (United)

*Rating  
Rationale***March 08, 2016**

Facility	Amount (Rs. Crore)	Rating
Fixed Deposit	34.80	SMERA FB+ (Assigned)

SMERA has assigned a rating of '**SMERA FB+**' (read as **SMERA FB plus**) to the Rs.34.80 crore fixed deposits of The United Multi State Credit Co-operative Society Limited (United). The rating is supported by the long-standing experience and strong domain knowledge of the promoters. The chief executive officer (CEO), Mr. Dinesh Kukreja has over one decades of experience in the banking and finance industry. The rating is also supported by the society's growth in loan book and nil non-performing asset (NPA) levels. However, the rating is constrained by the society's short track record, moderate-scale of operations and limited geographical diversification as the society operated in Rajasthan area only.

**Outlook: Stable**

SMERA believes the outlook on UMSCSL's rated facilities will remain stable over the medium term. The society will continue to benefit from its experienced management and strong asset quality. The outlook may be revised to 'Positive' in case the society achieves sustained growth in its asset books while maintaining strong asset quality and healthy returns. The outlook may be revised to 'Negative' in case of expansion of operations resulting in deterioration of asset quality, profitability or capital levels of the society.

**Rating sensitivity factors**

- Size of operations
- Asset quality
- Capital adequacy levels

**About the Society**

United, incorporated in 2010, is a Rajasthan-based cooperative credit society engaged in the business of taking deposits and providing loan facilities to its members. The society is promoted and managed by Mr. Dinesh Kukreja.

United reported profit after tax (PAT) of Rs.0.14 crore on interest income of Rs.5.67 crore and loan portfolio of Rs.24.28 crore for FY2014-15. The society's net worth stood at Rs.3.34 crore as on March 31, 2015. United reported profit after tax (PAT) of Rs.0.07 crore on interest income of Rs.3.16 crore and loan portfolio of Rs.10.21 crore for FY2013-14. The society's net worth stood at Rs.1.44 crore as on March 31, 2014.

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