

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 UMSCCSL'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.

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smerra.in](http://www.smerra.in)) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

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

**Rating Rationale**

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