

March 30, 2016

Facility	Amount (Rs. Crore)	Rating
Term Loan	10.00	SMERA B+/Stable (Assigned)

SMERA has assigned rating of '**SMERA B+**' (**read as SMERA B plus**) on the Rs.10.00 crore long-term (fund based) bank facility of MRJ Infratech Private Limited (MIPL). The outlook is '**Stable**'. The rating is constrained by the company's small scale of operations and intense competition in the real estate sector. However, the aforementioned weaknesses are partially offset by the experienced management and revenue visibility on account of its lease agreement with an automobile component manufacturer till June 2022.

Outlook: Stable

SMERA believes MIPL will maintain a stable business risk profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company is able to renew its lease agreement within the stipulated time frame and generate steady cash flows from rental income. The outlook may be revised to 'Negative' in case of deterioration in the financial risk profile and liquidity position.

Rating Sensitivity Factors

- Future capex
- Renewal of lease agreement

About the Company

The New Delhi-based MIPL, established by Mr. Ravinder Juneja in 2003 is engaged in the business of leasing out industrial property. The company has a 19 acre industrial plot at Rewari, Haryana, out of which seven acres has been developed and leased to Mark Exhaust Systems Ltd that manufactures automobile components.

The company reported profit after tax (PAT) of Rs.1.14 crore on operating income of Rs.2.97 crore, as compared with PAT of Rs.0.39 crore on operating income of Rs.2.43 crore in FY2013-14. The company's net worth stood at Rs.3.74 crore as on March 31, 2015, as compared with Rs.2.60 crore a year earlier.

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