



SMERA RATINGS LIMITED

Multiurban Infra Services Private Limited (MISPL)

Rating Rationale

May 18, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	6.50	SMERA BB/Stable (Assigned)
Bank Guarantee	4.80	SMERA A4+ (Assigned)

SMERA has assigned ratings of '**SMERA BB**' (read as **SMERA double B**) and '**SMERA A4+**' (read as **SMERA A four plus**) to the above mentioned bank facilities of Multiurban Infra Services Private Limited (MISPL). The outlook is '**Stable**'. The rating derives comfort from the company's healthy financial risk profile and healthy order book position. However, the rating is constrained by the company's uneven revenue trend on account of tender based nature of business, uneven margins and geographic concentration of revenues.

Outlook: Stable

SMERA believes that MISPL will continue to benefit over the medium term on account of the company's healthy order book position. The outlook may be revised to 'Positive' if the company registers healthy revenue growth with successful sourcing and execution of large projects. Conversely, the outlook may be revised to 'Negative' in case of decline in margins or the company's financial risk profile deteriorates on account of higher-than-expected increase in debt-funded working capital requirements.

Rating Sensitivity Factors

- Timely execution and completion of projects
- Working capital management
- Maintaining operating profitability amidst intensifying competition

About the Company

MISPL, incorporated in 2007, is a Nagpur based company engaged in undertaking turnkey water supply projects and maintenance of water supply lines. The company is headed by Mr. Praveen Rander (Director). MISPL majorly operates in Maharashtra and is diversifying into other states like Madhya Pradesh, Uttar Pradesh and Chhattisgarh. It caters to both government as well as private entities.

MISPL reported PAT (profit after tax) of Rs. 0.86 crore on operating income of Rs. 16.02 crore for FY2014-15, as compared with PAT (profit after tax) of Rs.0.69 crore on operating income of Rs.12.98 crore in the previous year.

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*Rating
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