

Mathru Buildtech Private Limited: Assigned

Facilities	Amount (Rs Crore)	Ratings/Outlook
Overdraft (Proposed)	10.00	SMERA BB-/Stable (Assigned)
Bank Guarantee (Proposed)	5.00	SMERA A4 (Assigned)

SMERA has assigned ratings of '**SMERA BB-**' (**read as SMERA double B minus**) and **SMERA A4** (**read as SMERA A four**) to the above mentioned proposed bank facilities of Mathru Buildtech Private Limited (MBPL). The outlook is '**Stable**'.

The ratings derive comfort from the experienced management, moderate order book position as on date and diversified customer base. Further, the ratings draw support from the healthy growth in revenues between FY2013 and FY2016. However, the ratings are constrained by geographic concentration risk, the tender based business and moderate scale of operations.

MBPL, promoted by Mr. Umesh Kulavalli undertakes turnkey projects. The management of the company has more than two decades of experience in the civil construction industry. The company has a moderate order book position of Rs.67.02 crore as on date with a diversified pool of private limited companies as customers including Bangalore Baptish Hospital, Norton Grindwell Limited, TATA Housing among others. The revenue increased from Rs.5.11 crore in FY2012-13 to Rs.20.36 crore for FY2015-16 with growth in CAGR of 59 per cent.

However, the operations of the company are largely tender based and limited to Karnataka state. MBPL operates at a moderate scale evident from the revenue of Rs.20.36 crore for FY2016.

Rating Sensitivity Factors

- Scaling up operations while maintaining stable profitability
- Efficient working capital management
- Timely completion of projects

Outlook-Stable

SMERA believes that MBPL will maintain a stable outlook and benefit over the medium term owing to the healthy business prospects and order book position. The outlook may be revised to 'Positive' if the company generates larger than expected cash flows with successful sourcing and execution of large projects. Conversely, the outlook may be revised to 'Negative' in case of project execution delays leading to low profitability.

About the Company

Incorporated in 2010, MBPL is a Bangalore-based company promoted by Mr. Umesh Kulavalli. The company undertakes turnkey projects for plumbing, interior designing and electrical installation works.

For FY2014-15, MBPL registered profit after tax (PAT) of Rs.0.61 crore on operating income of Rs. 18.08 crore as compared to PAT of Rs.0.68 crore on operating income of Rs.13.74 crore.

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ABOUT SMERA

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