



Press Release

Mobicule Technologies Private Limited

October 10, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 15.00 Cr.
Long Term Rating	SMERA C

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA C** (read as SMERA C)' on the Rs. 15.00 crore bank facilities of Mobicule Technologies Private Limited.

Mobicule Technologies Private Limited (MTPL) is a Mumbai-based software company incorporated in 2008 by Mr. Siddharth Agarwal and Mrs. Ruchi Agarwal. The company provides customised software solutions for inventory management, loan disbursal, lead generation among others. It caters to various industries including FMCG, electronics, cement, fertiliser and paints. The company has offices at Mumbai, Delhi, Pune and Hyderabad.

Key Rating Drivers

Strengths

- **Experienced management**

The Directors, Mr. Siddharth Agarwal and Mrs. Ruchi Agarwal collectively possess around 16 years of experience in the software development industry. Further, the top management is well supported by a qualified and experienced second line of management.

- **Diversified product range and reputed customer base**

The company has a reputed client base that includes Kotak Mahindra Bank Limited, Vodafone India Limited, Apollo Tyres Limited to name a few. The company registered CAGR of around 40 percent during the last three years ended FY2016.

Weaknesses

- **Delays in debt servicing**

There have been delays in the servicing of debt due to stretched liquidity position. The gross current assets (GCA) are stretched at 203 days for FY2016 as against 347 days for FY2015. This is on account of stretched receivable days which stood at 120 days for FY2016.

- **Average financial risk profile**

SMERA has treated the unsecured loans as quasi equity. MTPL has average financial risk profile marked by adjusted gearing of 1.06 times as on 31 March, 2016 compared to 0.92 times as on 31 March, 2015. The company has net worth of Rs.7.75 crore as on 31 March, 2016 compared to 5.99 times as on 31 March, 2015. The Net cash accruals to Total Debt (NCA/TD) stood at 0.16 times as on 31 March, 2016 compared to 0.07 in the previous year. The interest coverage ratio stood at 2.62 times for FY2016 compared to 2.02 times in the previous year.

- **Exposure to technological risk**

The company is exposed to risk of technological obsolescence.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of MTPL to arrive at the rating.

Outlook:

About the Rated Entity - Key Financials

For FY2016, MTPL reported net profit after tax (PAT) of Rs.1.13 crore on operating income of Rs. 47.48 crore compared to net profit of Rs.0.31 crore on operating income of Rs.22.72 crore in the previous year. The net worth stood at Rs.7.75 crore as on 31 March, 2016 compared to Rs.5.99 crore a year earlier.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Entities In Services Sector - <https://www.smera.in/criteria-services.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	SMERA C
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	SMERA C

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ABOUT SMERA

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