

Press Release

Miura Infrastructure Private Limited

November 27, 2018



Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 30.50 Cr. (Enhanced from Rs 27.00 Crore)
Long Term Rating	ACUITE BBB-/ Stable (Reaffirmed)
Short Term Rating	ACUITE A3 (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed long term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and the short term rating of '**ACUITE A3**' (**read as ACUITE A three**) on the Rs.30.50 crore bank facilities of Miura Infrastructure Private Limited. The outlook is '**Stable**'.

Miura Infrastructure Private Limited (MIPL) was established in 2005 by Mr. Gaurav Himatsingka. The company is engaged in the fabrication and erection of steel structures and machine equipments in India and overseas. The fabrication facility is located at Bhilai, Chhattisgarh. The day-to-day operations are led by Directors, Mr. Gaurav Himatsingka and Mr. Vivek Himatsingka.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Miura Infrastructure Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

• Experienced Management

The promoter, Mr. Gaurav Himatsingka has experience of more than a decade in the steel fabrication industry. Over the years, he has been able to maintain comfortable relationships with their key suppliers and customers.

• Established market position and reputed clientele

Over the years, MIPL has established relationship with reputed Engineering Procurement Construction (EPC) contractors in the industry namely Larsen & Toubro Ltd, Thermax Limited, Bharat Heavy Electricals Limited, Bhilai Engineering Corporation Limited among others. The company also has recently received orders from Dilip Buildcon Pvt Ltd, GE Power Ltd, Afcons Infrastructures Ltd.

• Healthy financial risk profile

MIPL's average financial risk profile is marked by moderate net worth of Rs.15.43 crore in FY2018 as increased from Rs.12.86 crore in FY2017, mainly on account of retention of current year profit. The gearing of the company stands comfortable at 0.92 times in FY2018 as it declined from 1.19 times in FY2017, this improvement in gearing is due to increase in networth levels of the company. The interest coverage ratio (ICR) of the company stood comfortable at 3.91 times in FY2018 as compared to 3.72 times in the previous year. Debt service coverage ratio (DSCR) of the company stands comfortable at 3.32 times in FY2018 as compared to 2.31 times in previous year. Net cash accrual to total debt (NCA/TD) stands comfortable at 0.31 times in FY2018 as compared to 0.27 times in the previous year. Going forward, the financial risk profile is expected to improve as the company has no debt funded capex plans.

Weaknesses

- **Working capital intensive nature of operation**

MIPL's working capital intensive operations are marked by high gross current assets days (GCA) of 309 days in FY2018 as compared to 172 days in the previous year. The high GCA days mainly on account of huge pile up of inventory for 199 days in FY2018 as compared to 88 days in FY2017. The company had maintained high levels of raw material at the year end. Receivables stand at 59 and 21 days in FY2018 and FY2017 respectively.

Outlook: Stable

Acuite believes that MIPL will maintain a stable outlook over the medium term owing to its promoters' extensive experience and established relations with customers. The outlook may be revised to 'Positive' if the company registers more than expected revenues while improving its financial risk profile. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve the expected revenue or the financial risk profile deteriorates.

About the Rated Entity - Key Financials

	Unit	FY18(Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	45.70	52.59	45.39
EBITDA	Rs. Cr.	6.48	6.81	4.17
PAT	Rs. Cr.	2.60	2.06	0.45
EBITDA Margin	(%)	14.19	12.95	9.18
PAT Margin	(%)	5.68	3.93	0.98
ROCE	(%)	18.68	17.57	7.09
Total Debt/Tangible Net Worth	Times	0.92	1.19	1.66
PBDIT/Interest	Times	3.91	3.72	2.99
Total Debt/PBDIT	Times	1.97	2.18	4.07
Gross Current Assets (Days)	Days	309	172	216

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Date	Name of Instruments/Facilities	Term	Amount	Ratings/Outlook
3rd Nov'17	Cash Credit	Long Term	7.50	ACUITE BBB-/Stable(Assigned)
	Bank Guarantee	Short Term	19.50	ACUITE A3(Assigned)

***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	7.50	ACUITE BBB- /Stable (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	23.00	ACUITE A3 (Reaffirmed)

* Fully interchangeable with Letter of Credit

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About Acuité Ratings & Research:

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