

MMS Infratech Private Limited

Instrument	Amount Rated	Rating Action
Over Draft	Rs.7.00 crore	[ICRA]BB- (stable) reaffirmed
Term Loans	Rs 1.87 crore (reduced from Rs. 4.52 crore)	[ICRA]BB- (stable) reaffirmed
Unallocated Limits	Rs 5.34 crore (enhanced from Rs. 2.69 crore)	[ICRA]BB- (stable) reaffirmed
Bank Guarantee	Rs 36.00 crore (enhanced from Rs. 17.00 crore)	[ICRA]A4 reaffirmed

ICRA has reaffirmed the long term rating of [ICRA]BB- (pronounced ICRA double B minus)[†] for Rs. 7.00 crore overdraft facility, Rs. 1.87 crore (reduced from Rs. 4.52 crore) term loan facility and Rs. 5.34 crore (enhanced from Rs. 2.69 crore) unallocated limits of MMS Infratech Private Limited (MIPL)¹. ICRA has also reaffirmed the short term rating of [ICRA]A4 (pronounced ICRA A four) for Rs. 36.00 crore (enhanced from Rs. 17.00 crore) bank guarantee facility of MIPL. The outlook on long term rating is 'stable'.

The reaffirmation of ratings continues to be constrained by the moderate scale of operations of the company coupled with revenue de-growth in FY2016. The ratings also take into account the company's sectoral concentration risk arising from focus on government tendered road construction segment in Gujarat and the high competitive intensity in the construction space resulting in pressure on margins. The ratings are further constrained by the vulnerability of company's profitability to fluctuations in input prices in projects with absence/limitations of pass through clauses. The ratings are further constrained by the timely execution of projects to avoid any LD charges given the few delays observe in the project on hand.

The ratings, however, continues to positively consider the past experience of the promoters and their track record of project execution in the civil construction industry; the company's status of "AA" class contractor with Government of Gujarat; reputed clientele comprising government and semi government bodies which limits counter party credit risk and moderate order book position of Rs. ~70.24 crore which gives revenue visibility for next 12-15 months.

Company Profile

M/s Ramesh Meghji Soratiya (partnership firm) was promoted by the Hadiya family in April 2007 and was engaged in civil construction work. Subsequently, MMS Infratech Private Limited (MIPL) was incorporated in September 2012 and gradually the business of the partnership firm has been transferred to MMS. MMS is engaged in roads construction, building construction, transportation, canal work etc. mostly for government and semi government departments. MMS is registered as contractor in 'AA' class category in state of Gujarat. The company is based out of Anjar - Kutch (Gujarat).

Recent Results

For the year ended 31st March 2016, MIPL has reported an operating income of Rs. 68.58 crore and net profit of Rs. 0.89 crore as against an operating income of Rs. 88.32 crore and net profit of Rs.1.46 crore for the year ended 31st March 2015.

September 2016

[†] For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



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