



Rating Rationale

Mukesh Ranjan Contractors

7 March 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Mukesh Ranjan Contractors

Particulars:

Facility	Limit	Tenure	Rating Assigned
Cash Credit	1.85	Long Term	BWR BB+ (Pronounced as Double B Plus) Outlook: Stable
Bank Guarantee	14.00	Short Term	BWR A4+ (Pronounced as Single A Four Plus)
Total	15.85	Rupees Fifteen Crore Eighty Five Lakhs only	

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projections upto FY18, publicly available information and information / clarifications provided by the company.

The ratings draw comfort from the experience of the proprietor in the business, improvement in the firm's topline in last 3 FYs, comfortable gearing ratio, debt protection metrics and liquidity ratio. The rating is, however, constrained on account of small scale of operations, constitution of the firm as a proprietorship concern which has its own limitations, business concentration and geographical risk.

Rating Outlook: Stable

BWR believes the **Mukesh Ranjan Contractors'** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues and profits reduce due to non implementation of the same.

About the Company

Mukesh Ranjan Contractors is a proprietorship firm established by Mr Mukesh Ranjan and commenced its operations in 2005. The registered and corporate office of the firm is in Hoshiarpur. At present, Mr. Mukesh Ranjan is the proprietor of the firm and is also looking after day to day operations of the firm. The firm is engaged in civil construction work which includes infrastructure development, construction of hospitals, education institutes, bus terminals etc. The firm is registered as a class 'A' contractor with Public Work Department (PWD) of Punjab.

Company Financial Performance

The company generated total operating revenue of Rs. 58.36 Crores in FY16 as against Rs. 44.94 Crores in FY15. The company generated Profit after Tax of Rs. 3.82 Crores in FY16 as against Rs. 2.70 Crores in FY15

Rating History for the last three years (including withdrawn/suspended ratings)

Facility	Tenure	Rating Assigned (2017)		Rating History		
		Previous Amount (Rs. Cr)	Rating	2016	2015	2014
Fund Based: Cash Credit	Long Term	1.85	BWR BB+ (Pronounced as Double B Plus) Outlook: Stable	NA	NA	NA
Non Fund Based: Bank Guarantee	Short Term	14.00	BWR A4+ (Pronounced as Single A Four Plus)			
Total		15.85	Rupees Fifteen Crore Eighty Five Lakhs only			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings



Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.