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October 4, 2010

**CARE ASSIGNS 'CARE BB+' AND 'PR4' RATINGS TO THE BANK FACILITIES OF MASS INFRASTRUCTURE PVT LTD.**

**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>11</sup>	Remark
Long-term Bank Facilities	10.00	CARE BB+ (Double B plus)	Assigned
Short-term Bank Facilities	10.00	PR4 (PR Four)	Assigned
<b>Total</b>	<b>20.00</b>		

**Rating Rationale**

The ratings are constrained by small size of operations coupled with below average financial risk profile marked by high overall gearing and stressed liquidity position leading to instances of overdrawn in overdraft account. Customer & geographical concentration and fragmented nature of the industry further constrain the ratings.

The above weaknesses are partially offset by experience of promoters, sizeable order book position and presence of price escalation clause in majority of the projects in hand.

Timely execution of orders in-hand coupled with sustainability of profitability margins and ability to bag new orders along with diversification its revenue base are the key rating sensitivities.

**Company Profile**

Mass Infrastructure Private Limited (MIPL), incorporated in 2002, is promoted by Shri Arvind Patel and Shri Shanu Patel. It took over the on-going business of the same promoters in a partnership firm, M/s. Mass Construction Company, in April 2008. The promoters have more than 15 years of experience in the construction business. MIPL is registered as an approved contractor in 'AA' category with Government of Gujarat as well as in 'Super Class' category with Government of Orissa, indicating eligibility for large sized contracts. MIPL is in the business of construction of roads, canals, buildings etc. with focus in Madhya Pradesh, Gujarat and Orissa.

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<sup>1</sup> complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

During FY09, MIPL reported PAT of Rs.1.63 crore on total income of Rs.34.47 crore against PAT of Rs.1.13 crore on total income of Rs.20.86 crore in FY08. MIPL has reported PAT of Rs.1.46 crore on total income of Rs.25.56 crore in 9MFY10.

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