

Rating Rationale

July 08, 2022 | Mumbai

Markolines Traffic Controls Private Limited

Ratings migrated to 'CRISIL BB/Stable/CRISIL A4+'; Ratings Withdrawn

Rating Action

Total Bank Loan Facilities Rated	Rs.17 Crore
Long Term Rating ^{&}	CRISIL BB/Stable (Migrated from 'CRISIL BB/Stable ISSUER NOT COOPERATING'; Rating Withdrawn)
Short Term Rating [^]	CRISIL A4+ (Migrated from 'CRISIL A4+ ISSUER NOT COOPERATING'; Rating Withdrawn)

& *Issuer did not cooperate; based on best-available information

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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Due to inadequate information, CRISIL Ratings, in line with SEBI guidelines, had migrated the rating of Markolines Traffic Controls Private Limited (MTCPL) to 'CRISIL BB/Stable/CRISIL A4+ /Issuer not cooperating'. CRISIL Ratings has **withdrawn** its rating on bank facility of MTCPL following a request from the company and on receipt of a 'no dues certificate' from the banker. Consequently, CRISIL Ratings is migrating the ratings on bank facilities of MTCPL from 'CRISIL BB/Stable/CRISIL A4+/Issuer Not Cooperating' to 'CRISIL BB/Stable/CRISIL A4+'. The rating action is in line with CRISIL Ratings' policy on withdrawal of bank loan ratings.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of MIPL and its group entity MTCPL, since they have common promoters, are in the same line of business, and have operational and financial linkages. Both the entities are collectively referred to as the Markoline group.

Unsecured loans from promoters Rs 4.48 crores is treated as neither debt nor equity since it is estimated to be retained in business for the medium term.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

About the Company

MIPL was incorporated in 2005 is a Mumbai-based company undertakes operating and maintenance activity which includes toll operations, beautification of highways and accidental control measures.

MTCPL, incorporated in 2002, undertakes operations and maintenance of highways and conducts micro surfacing on highways.

Key Financial Indicators

Particulars	Unit	2020	2019
Revenue	Rs. Cr.	216.7	129.4
Profit After Tax	Rs. Cr.	8.5	5.2
PAT Margins	%	3.9	4.1
Adjusted Debt/Adjusted Net worth	Times	1.32	1.63
Interest coverage	Times	3.2	2.9

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr)	Complexity Levels	Rating Assigned with Outlook
NA	Bank Guarantee	NA	NA	NA	5	NA	Withdrawn
NA	Cash Credit	NA	NA	NA	9	NA	Withdrawn
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	3	NA	Withdrawn

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Markolines Traffic Control Private Limited	Full	Operate in similar lines of business, have a common management team, and have significant operational linkages
Markolines Infra Private Limited	Full	Operate in similar lines of business, have a common management team, and have significant operational linkages

Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	12.0	Withdrawn		--	29-12-21	CRISIL BB /Stable(Issuer Not Cooperating)*	30-09-20	CRISIL BB/Stable	03-04-19	CRISIL BB/Stable	CRISIL BB-/Stable
			--		--		--	24-06-20	CRISIL BB/Stable	21-02-19	CRISIL BB/Stable	--
Non-Fund Based Facilities	ST	5.0	Withdrawn		--	29-12-21	CRISIL A4+ (Issuer Not Cooperating)*	30-09-20	CRISIL A4+	03-04-19	CRISIL A4+	CRISIL A4+
			--		--		--	24-06-20	CRISIL A4+	21-02-19	CRISIL A4+	--

All amounts are in Rs.Cr.

* - Issuer did not cooperate; based on best-available information

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Rating
Bank Guarantee	5	Withdrawn
Cash Credit	9	Withdrawn
Proposed Long Term Bank Loan Facility	3	Withdrawn

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufacturing and service sector companies
CRISILs Bank Loan Ratings - process, scale and default recognition
Assessing Information Adequacy Risk
Rating Criteria for Construction Industry
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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