

## Multi Infratech Private Limited

March 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	18.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	12.00	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

Multi Infratech Private Limited (MIPL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Limited's (CARE Ratings') rating on MIPL's bank facilities will now be denoted as **"CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING"**.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings continue to be constrained by low profitability margins and lower net-worth, working capital intensive nature of operations, client concentration risk, susceptibility of profitability to fluctuations in raw material prices and intense competition in the industry. However, the rating continues to derive comfort from reputed client base with moderate order book, healthy financial risk profile, modest scale of operations and experienced promoters with established track record.

**Analytical approach:** Standalone

**Outlook:** Stable

The "Stable" outlook reflects that the entity is likely to benefit from experienced promoters with established track record and reputed client base with moderate order book.

**Detailed description of key rating drivers:** At the time of last rating on January 18, 2024, following were the rating weaknesses and strengths (updated for information available)

### Key weaknesses

#### Lower profitability margin and lower net worth

MIPL's profitability margins stood at 5% in FY24 against 2.41% in FY23, with GCA of Rs. 12.32 cr during FY24 as compared to Rs. 1.55 cr during FY23. Due to lower profitability, the net worth remained low at Rs. 38.53 cr as on March 31, 2024 (PY: Rs.27.20 crore).

#### Working capital intensive nature of operations

MIPL's operations are working capital intensive in nature. The company purchases raw materials which include insulated sandwich panels, steel decking profiles, etc from its suppliers which are either based on advances payment or against credit period of 30-90 days, bringing average creditors period to 49 days for FY24 (PY: 32 days). MIPL extends credit period of around 30-120 days to its customers, however, some orders are also based on advance payment. Thus, average collection period for FY24 stood at 45 days (PY: 74 days).

#### Client Concentration Risk

MIPL is exposed to client concentration risk. In FY23, top 5 customers contributed 64% of total operating income. As per the order book as on Sept 30, 2023, the concentration risk continues to exist.

#### Susceptibility of profitability margins to fluctuation in raw material prices

The major raw material used in insulated sandwich panels, steel decking profiles etc is steel. The steel prices are volatile in nature and the same are driven by the global prices and are also dominated by the demand supply scenario prevailing on a particular day. Hence, profitability of the company can be impacted with adverse movement in raw material prices which it may not be able to pass on entirely to its clients, owing to competition pressure and no escalation clause in its contracts with clients.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

### Intense competition in the industry

Indian PEB segment is highly competitive with presence of large number of players, including established players like Kirby Building Systems India Pvt. Ltd, Kirby Building Systems India (Uttaranchal) Private Ltd, Everest Industries Limited, Interarch Building Products Pvt Ltd etc. Some of these entrants have inked either JV or technical support agreement with foreign players.

### Key strengths

#### Reputed client base with moderate order book position

The client profile of MIPL is strong and includes reputed players like Tata Steel Limited, SMCC etc. MIPL has established its relationship with its clients over the years by providing quality products and services and customised solutions. The company has a dedicated marketing team of 10 members headed by Mr. Rajesh Gupta, MD and a branch network of 15 offices spread across India. Leveraging its brand value in the industry, the company is able to garner repeated orders from its clients. As on September 30, 2023, MIPL has an order book position of Rs. 654 crore and the company has already done billing of Rs 280.81 cr till Dec'23. Considering that the average duration of company project is 1 to 6 months, the expected receipt of additional order along with the existing order book, provide visibility over the revenue during FY24.

#### Growing scale of operations

The total operating income of MIPL has increased from Rs. 95.76 crores for FY23 to Rs. 375.75 crore in FY24, the revenue of company has increased on account of healthy execution of order book. The company has achieved total operating income of Rs. 181.53 crores till September 2024.

#### Healthy financial risk profile:

The overall gearing of the company has remained low at 0.29x in FY24(PY: 0.13x). Also, debt service indicators remain comfortable as reflected by interest coverage and TD/GCA of 11.27x (PY: 3.78x) and 0.89x (PY: 2.27x) respectively.

#### Experienced Promoters with established track record

The company belongs to the Multicolor group which is promoted by Mr. Rajesh Gupta, Mr. Ashish Gupta, and Mr. Deep Gupta who have around 20 years of experience in the industry. The promoters also have experience in manufacturing of metal building products through group company Multicolor Steels (India) Private Limited (MSIPL), which has over 29 established brands including Multi-Seam, Multi-Lok, Multi-clad, Multi-safewall, MultiZip, etc. MIPL specializes in the field of metal roofing and wall cladding systems, installation of pre-engineered and pre-fabricated metal building structures and color coated sheets. MIPL has installed about 7 million square metre of roofing in over 500 projects all over India.

### Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Construction](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Multi Infratech Private Limited (MIPL) was originally incorporated as Multicolor Steels Private Limited on January 12, 1993; the name was changed to the present one with effect from May 3, 2010. MIPL specializes in installation of metal roofing and wall cladding systems. The company is also involved into erection and trading of pre-engineered metal building (PEB) structures and portable buildings. The company belongs to Multicolor group which is promoted by Mr. Rajesh Gupta, Mr. Ashish Gupta, and Mr. Deep Gupta who have around 20 years of experience in the industry.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	95.76	375.75
PBILDT	2.31	18.78
PAT	0.71	11.33
Overall gearing (times)	0.13	0.29
Interest coverage (times)	3.78	11.27

A: Audited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	8.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	12.00	CARE A4+; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

#### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	10.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (18-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (19-Oct-22)	1)CARE BBB-; Stable (25-Mar-22)
2	Non-fund-based - ST-BG/LC	ST	12.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (18-Jan-24)	1)CARE A4+; ISSUER NOT COOPERATING* (19-Oct-22)	1)CARE A3 (25-Mar-22)
3	Non-fund-based - LT-Bank Guarantee	LT	8.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (18-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (19-Oct-22)	1)CARE BBB-; Stable (25-Mar-22)

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities-** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT-Bank Guarantee	Simple
3	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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