

Press Release

Illuminati Building Solutions Private Limited

September 20, 2018



Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 12.00 Cr.
Long Term Rating	ACUITE D (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed long-term rating of '**ACUITE D**' (**read as ACUITE D**) to the Rs. 12.00 crore bank facilities of Illuminati Building Solutions Private Limited (IBSPL).

IBSPL, incorporated in 2012 is engaged in the manufacturing of precast concrete structures (RCC slabs and walls, staircase, beams and columns) at Wada (Maharashtra). The company is part of the Shree Naman Group which is engaged in the business of real estate, financial services, wind energy and hospitality.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of IBSPL to arrive at the rating.

Key Rating Drivers:

Strengths

- **Extensive experience of the promoters**

The promoters, Mr. Rajesh Desai and Mr. Paras Desai have experience of more than two decades in the construction industry.

Weaknesses

- **Small scale of operations**

IBSPL started its operations from FY2015 and started booking revenue since 2017. The company's small scale of operations is marked by low operating revenue of Rs.0.61 crore in FY2018 (Provisional) and Rs.0.30 crore in FY2017.

- **Delays in term loan repayment**

There have been delays in repayment of debt obligations in the past three months due to the nascent stage of operations and weak liquidity.

- **High competition**

The company operates in real estate sector which is marked by presence of several organised and unorganised players. The demand for their product is low and market is yet to be established which restricts revenue.

About the Rated Entity - Key Financials

	Unit	FY18 (Provisional)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	0.61	0.30	
EBITDA	Rs. Cr.	(0.66)	(0.35)	(0.31)
PAT	Rs. Cr.	(1.96)	(1.36)	(0.40)
EBITDA Margin	(%)	(108.90)	(115.52)	NA
PAT Margin	(%)	(322.35)	(453.09)	NA
ROCE	(%)	(7.37)	(2.18)	(3.22)
Total Debt/Tangible Net Worth	Times	11.51	185.26	8.66
PBDIT/Interest	Times	(0.68)	(0.26)	(54.15)
Total Debt/PBDIT	Times	(20.14)	(49.37)	(41.71)
Gross Current Assets (Days)	Days	893	1,274	

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
05-Jul-2018	Term Loan	Long Term	10.00	ACUITE D Issuer not cooperating*
	Cash Credit	Long Term	1.20	ACUITE D Issuer not co-operating*
	Proposed Long Term Loan	Long Term	0.80	ACUITE D Issuer not co-operating*
24-Jun-2017	Term Loan	Long Term	10.00	ACUITE D (Assigned)
	Cash Credit	Long Term	1.20	ACUITE D (Assigned)
	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Assigned)
17-Aug-2016	Term Loan	Long Term	10.00	ACUITE B- / Stable (Suspended)
	Cash Credit	Long Term	2.00	ACUITE B- / Stable (Suspended)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE D (Reaffirmed)

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About Acuité Ratings & Research:

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