

Press Release

ILLUMINATI Building Solutions Private Limited

November 28, 2019

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 (IBPL).

IBPL was incorporated in 2012 and is engaged in 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 IBPL to arrive at this rating.

Key Rating Drivers

Strengths

• Experienced management

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

Weaknesses

• Delay in servicing debt obligation

There have been delays in repayment of debt obligations in the past three months. The liquidity position of the company is stretched as evident from operations of the company.

• Small scale of operations

IBPL 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.0.26 crore in FY2019 as against Rs.0.61 crore in FY2018 and Rs.0.30 crore in FY2017.

Acuité believes that company's ability to register growth in revenue while maintaining adequate profitability will be key sensitivity factor.

Rating Sensitivities

- Timely repayment of debt obligation
- Improvement in revenue along with profitability

Material Covenants

None

Liquidity position: Poor

The liquidity of IBPL is poor led by persistent delays in servicing debt obligations.

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	0.26	0.61	0.30

EBITDA	Rs. Cr.	(0.40)	(0.61)	(0.35)
PAT	Rs. Cr.	(1.42)	(1.73)	(1.36)
EBITDA Margin	(%)	(151.55)	(100.99)	(115.52)
PAT Margin	(%)	(542.51)	(284.84)	(453.09)
ROCE	(%)	(3.73)	(6.68)	(2.18)
Total Debt/Tangible Net Worth	Times	15.95	5.22	185.26
PBDIT/Interest	Times	(0.29)	(0.72)	(0.26)
Total Debt/PBDIT	Times	(59.67)	(21.75)	(49.37)
Gross Current Assets (Days)	Days	4274	859	1274

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

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-20.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. Cr.)	Ratings/Outlook
20-Sept-2018	Term Loan	Long Term	10.00	ACUITE D (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE D (Reaffirmed)
05-Jul-2018	Term Loan	Long Term	10.00	ACUITE D (Indicative)
	Cash Credit	Long Term	1.20	ACUITE D (Indicative)
	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Indicative)
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	2.00	ACUITE B- /Stable (Suspended)
	Cash Credit	Long Term	10.00	ACUITE B- /Stable (Suspended)
02-Jun-2015	Term Loan	Long Term	2.00	ACUITE B- /Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE B- /Stable (Assigned)

***Annexure – Details of instruments rated**

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

Contacts

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About Acuité Ratings & Research:

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