



Press Release
Royal Infra Engineering Private Limited
August 16, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	ACUITE BB- Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	55.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	61.00	-	-

Rating Rationale

Acuité has reaffirmed the long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 61.00 crore bank facilities of Royal Infra Engineering Private Limited (RIEPL). The rating continues to be flagged as "Issuer NotCooperating" and is based on best available information

About the Company

Royal Infra Engineering Private Limited (RIEPL), incorporated in 2009, is a Gujarat-based company promoted by Mr. Vasantbhai Patel to take over the existing business of Royal Builders. The company is registered as Class AA+ Special Category I contractor with the Roads and Building Department, Government of Gujarat and undertakes civil construction contracts for the Gujarat government.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	7.81	6.95
PAT	Rs. Cr.	0.19	0.15
PAT Margin	(%)	2.37	2.19
Total Debt/Tangible Net Worth	Times	0.02	0.02
PBDIT/Interest	Times	56.69	14.60

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 May 2022	Cash Credit	Long Term	2.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	4.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
12 Feb 2021	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	4.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
IDBI Bank Ltd.	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	35.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BB- Reaffirmed Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BB- Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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