

Press Release

Jodhpur Rbu Infrabuild Private Limited

April 10, 2019



Rating Reaffirmed, Assigned and Withdrawn

Total Bank Facilities Rated*	Rs. 21.72 Cr.
Long Term Rating	ACUITE BBB-/Stable (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) to the Rs.21.72 crore bank facilities of Jodhpur RBU Infrabuild Private Limited (JIPL). The outlook is '**Stable**'.

JIPL was incorporated in 2012 by Mr. Pankaj Bansal and Mr. Gian Chand Bansal. Mr. Krishnamurthy Ramakrishnan Iyer joined as a Director in October 2016. The company is a special purpose vehicle (SPV) for construction and lease of industrial premises. The company has leased a specially constructed factory premises at Jaisalmer (Rajasthan) to Suzlon Energy Limited for manufacture of rotor blades used in windmills. The company is a 100 per cent subsidiary of P B Infrabuild Private Limited, which is engaged in the civil construction business and has provided corporate guarantee for the borrowings.

Analytical Approach

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

Key Rating Drivers

Strengths

- **Experienced management**

The Directors of the company, Mr. Pankaj Bansal and Mr. Ramakrishnan Iyer have a vast experience of around four decades in the field of infrastructure. The Directors' experience helped in inking a long-term deal with Suzlon Energy Limited (Suzlon) for renting out its infrastructure.

- **Steady revenue stream under lease arrangements with reputed client**

JIPL derives its revenues by way of lease rentals from Suzlon Energy Limited (SEL) manufacturing facility based in Rajasthan. Suzlon Energy Limited is one of the world's largest wind turbine manufacturing company, listed on NSE and BSE. The total area leased is 18.4 acres with built-up area of 186774 sq. ft. The facility was rented at a monthly lease rental of about Rs.39 lakhs with an annual escalation at 3.5 per cent with agreement till January, 2025. JIPL receives payment within 10-15 days; besides the rental receipt, it has about Rs.1.5 crore in the form of unencumbered fixed deposits as of February 28, 2019 to meet any exigency or in case of delay in receivables. Acuité believes that reputed clientele and regular receipt of rentals are expected to keep the revenues and cash flows stable over the medium term.

Weaknesses

- **Susceptibility of operating performance to dynamics of commercial real estate segment**

JIPL has only one project which is located in Rajasthan. As a result, any disruption in the business dynamics may adversely impact the business risk profile and operating performance of the company.

Liquidity:

Liquidity of JIPL is moderate marked by moderate cash accruals. It has reported cash accruals of Rs.2.16 crore in FY2018 and is expected to be in the range of Rs.3.00 crore against the repayment obligations of Rs.2.30 crore to Rs.2.80 crore. The company has unencumbered fixed deposits of Rs.0.15 crore and cash and bank balance of Rs.0.03 crore as on 31 March, 2018. Acuité believes that the liquidity profile continues to be moderate supported by moderate accruals, absence of major debt funded capital expenditure and support, in case required, from the parent company.

Outlook: Stable

Acuité believes that JIPL will maintain a 'Stable' outlook over the medium term from its Directors' industry experience. The outlook may be revised to 'Positive' in case of early payment of its loan obligations while maintaining its cash accruals. Conversely, the outlook may be revised to 'Negative' in case of any significant stretch in its receivables or diversion of liquid investments lead to deterioration of its financial flexibility and liquidity.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	4.85	4.91	1.06
EBITDA	Rs. Cr.	4.69	4.63	0.52
PAT	Rs. Cr.	1.37	0.34	0.00
EBITDA Margin	(%)	96.68	94.41	48.85
PAT Margin	(%)	28.32	6.98	0.12
ROCE	(%)	15.18	14.18	3.13
Total Debt/Tangible Net Worth	Times	2.59	3.39	2.81
PBDIT/Interest	Times	2.22	1.92	1.37
Total Debt/PBDIT	Times	3.90	4.90	34.48
Gross Current Assets (Days)	Days	593	513	601

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
19-Mar-2018	Term Loan	Long Term	21.72	ACUITE BBB-/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
Term Loan	Not Applicable	Not Applicable	Not Applicable	21.72	ACUITE BBB- (Withdrawn)
Term Loan (LRD Scheme)	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BBB- /Stable (Reaffirmed)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.72	ACUITE BBB- /Stable (Assigned)

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About Acuité Ratings & Research:

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