



**Press Release**  
**Shree Riddhi Siddhi Buildwell Limited**  
**May 28, 2024**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.50	ACUITE BBB-   Stable   Reaffirmed	-
Bank Loan Ratings	95.50	-	ACUITE A3   Reaffirmed
<b>Total Outstanding Quantum (Rs. Cr)</b>	125.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 125.00 crore bank facilities of Shree Riddhi Siddhi Buildwell Limited (SRSBL). The outlook remains '**Stable**'.

**Rationale for the rating**

The rating action considers the improving operations and profitability for FY 2023, moderate financial risk profile, adequate liquidity position, extensive experience of promoters. Also the rating factors in comfort derived by healthy order book position. The rating is constrained by intensive working capital, tender based business, burgeoning unbilled revenue and competitive industry.

**About the Company**

Agra-based, SRSBL was incorporated in 2010 by Dr. Pramod Kumar Jain, Mr. Ankur Jain, and Mr. Anuj Jain as a private limited company. SRSBL originally engaged in the real estate development business has also expanded into the field of civil construction and infrastructure development from FY2017. The company currently has unexecuted orders worth ~Rs. 397.41 Crs. for infrastructure development, which is to be executed in the near to medium term. Further, SRSBL has successfully completed multiple real estate projects under the 'Padam' brand'.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has considered the standalone view of the business and financial risk profile of SRSBL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced management**

The promoters, Mr. Ankur Jain and Mr. Anuj Jain have experience of almost two decades in the real estate industry. The promoters have established a track record of successful project execution in the real estate segment through various entities. SRSBL is now transitioning from a

real estate developer to an EPC contractor in the near term focusing on infrastructure construction projects. Acuité believes that the company will be benefitted over the medium

term on the back of experience of management.

### **Business Risk Profile**

SRSBL's operations has gradually shown improvement in revenue from operations which stood at Rs. 103.90 crore in FY2023 against Rs. 81.06 crore in FY 2022 declined from Rs. 98.77 crore for FY2021. Furthermore, company has recorded revenue of Rs. 130.9 crore till March 2024. The operating profit margin of the company improved by 219 bps and stood at 12.35% in FY2023 as against 10.16% in FY2022. The net profit margin of the company improved by 76 bps and stood at 1.55% in FY2023 as against 0.79% in FY2022.

### **Financial risk profile-Moderate**

SRSBL's financial risk profile is moderate marked by moderate net worth of Rs. 51.87 Cr. as on 31 March 2023. The improvement is majorly on account of accretion of profits and treatment of loans from director promoters to the extent of Rs 20 crore as quasi equity. Company has conservative leverage policy. The gearing (debt-equity) deteriorated from 0.92 times in FY 22 to 1.07 times in FY 23. The Total outside liabilities to Tangible net worth (TOL/TNW) stood at 1.55 times in FY 23. Debt Protection Matrix (i.e. ISCR & DSCR) for FY 22-23 stood at 2.04 & 1.04 times respectively.

### **Weaknesses**

#### **Working capital management- Intensive**

Working capital operations of the company are intensive in nature as reflected by its gross current asset (GCA) days of around 325 days as on March 31, 2023 which is on the account of higher inventory days and high level of Works contracts executed recognised and not billed (Unbilled revenue) in current assets. Inventory days improved and stood at 47 days as on March 31, 2023 as against 128 days as on March 31, 2022. The Debtor & Creditor days stood moderate at 42 & 61 days respectively as of March 2023.

### **Rating Sensitivities**

Significant improvement in scale of operations, while maintaining its profitability margins.  
Deterioration in the working capital cycle leading to stress on the debt protection metrics or the liquidity position of the entity.  
Timely project execution as per schedule.  
Company's ability to realize unbilled revenue in timely manner.

### **Liquidity Position**

#### **Adequate**

Liquidity profile of the company remained adequate marked by net cash accruals against its maturing debt obligations. Company generated cash accruals of Rs.5.79 Cr. in FY 2023 as against its maturing debt obligation of Rs. 5.36 Cr. in the same period indicating availability of funds to pay off debt obligations. The average utilization of fund based working capital limits remains at 78.99% in last six months upto March 2024. The average utilization of non-fund-based limits for last six months is 59.17%. The Cash & Bank balance of the company is Rs. 0.28 Cr. in FY23.

### **Outlook: Stable**

Acuité believes that SRSBL will maintain a 'Stable' outlook in the near to medium term on account of the experienced promoter in the industry and diversified business risk profile. The outlook may be revised to 'Positive' if the entity achieves project and expected order book execution as per schedule along with significantly higher than expected customer advances. Conversely, the outlook may be revised to 'Negative' in case of slower than expected realisation of unbilled revenue, slower sale of inventory, or in case of delay in project execution.

### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	103.90	81.06
PAT	Rs. Cr.	1.61	0.64
PAT Margin	(%)	1.55	0.79
Total Debt/Tangible Net Worth	Times	1.07	0.90
PBDIT/Interest	Times	2.04	4.29

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

Not Applicable.

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Feb 2023	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	16.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3 (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	28.50	ACUITE A3 (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB-   Stable (Assigned)
	Covid Emergency Line.	Long Term	1.50	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	21.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.00	ACUITE BBB-   Stable (Assigned)
	Secured Overdraft	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB-   Stable (Assigned)
	Secured Overdraft	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	1.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BBB-   Stable (Assigned)
31 Dec 2021	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A3 (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.00	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	15.00	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB-   Stable (Assigned)
	Secured Overdraft	Long Term	1.00	ACUITE BBB-   Stable (Assigned)
13 Dec 2021	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank	Long		ACUITE BBB-   Stable

	Facility	Term	15.00	(Reaffirmed)
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## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	39.00	ACUITE A3   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE A3   Reaffirmed
Axis Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	41.50	ACUITE A3   Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BBB-   Stable   Reaffirmed
Axis Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2027	Simple	1.50	ACUITE BBB-   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.52	ACUITE BBB-   Stable   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE BBB-   Stable   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE BBB-   Stable   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Feb 2026	Simple	1.48	ACUITE BBB-   Stable   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	19 Nov 2030	Simple	6.00	ACUITE BBB-   Stable   Reaffirmed

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### 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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