



Press Release
Revanza Sullurpet Industrial Parks Private Limited
April 19, 2024

Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	130.00	ACUITE BBB Reaffirmed & Withdrawn	-
Bank Loan Ratings	20.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	150.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 130.00 crore bank facilities of Revanza Sullurpet Industrial Parks Private Limited (RSIPPL). Acuite has also withdrawn the long-term rating on the Rs. 20.00 crore bank facilities of Revanza Sullurpet Industrial Parks Private Limited (RSIPPL). The same is withdrawn without assigning any rating as it is a proposed facility. The rating is being withdrawn on account of the request received from the company and the NOC received from the banker's as per Acuite's policy on withdrawal of ratings as applicable to the respective facility/instrument.

Rational for Rating

The reaffirmation is driven by the steady revenue from the long term lease deed. The rating also considers the adequate coverage indicators, financial support from promoters in the form of unsecured loans and maintenance of DSRA thereby ensuring adequate liquidity against repayment obligations. Additionally, on account of the floating interest rates on debt the rating will remain susceptible to interest rate risks.

About the Company

Revanza Sullurpet Industrial Parks Private Limited (RSIPPL) is Special purpose vehicle of Revanza Leasing India Private Limited (RLIPL). RLIPL is promoted by Lalwani Group of Companies. RLIPL is engaged in development and management of Industrial and Logistics assets on the basis of Build to Suit and eventually leasing the constructed properties to respective counter parties. The developed properties include 1.0 million sq.ft at 3 locations Mahindra World City, Echankaranai, Gudapakkam and Sriperumbudur. The operations of the company are managed by the directors, namely Mr. Nitin Aggarwal, Mr. Ramachandran Manikandan, Mr. Ramnath Subramaniam and Mr. Yogesh Bhargav.

Later in August 2023, the company has been acquired by TVS Industrial & Logistics Parks Private Limited (TVSILP). TVSILP is part of TVS mobility group. TVSILP offers Integrated Infrastructure Solutions, EPC Solutions, Warehouse Solutions. It's clientele includes Ather Energy, TVS motors, Flipkart, etc.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of RSIPPL.

Key Rating Drivers

Strengths

Experienced promoter and financial support

Recently RSIPPL has been acquired by TVS Industrial & Logistics Parks Private Limited (TVSILP), which is a part of the TVS Mobility group. TVSILP has experience of more than 15 years in the industry. TVSILP offers Integrated Infrastructure Solutions, EPC Solutions, Warehouse Solutions as per user specifications. Acuite believes the company shall benefit from the promoters timely support and experience.

Steady revenue under lease arrangement from the reputed tenant

RSIPPL derives its revenues by way of lease rental and maintenance from Indutch Composites Technology Private Limited. Indutch is an ISO 9001-certified manufacturer, exporter and trader of various composite products that find applications in sectors such as wind energy, railways, marine, industrial and aerospace. Indutch primarily derives its revenues from manufacturing windmill blades and ancillary products. The current clientele includes Nordex, Enercon, Siemens Gamesha, and LM Wind Power. In 2019, Mujjal Auto Industries Limited acquired 68 percent stake in Indutch and became its parent company. The strong tenant profile ensures stable and timely rental income during the lease period. Further, the lease period is 12-years from December 2021 to November 2033 with a lock in of 5-years, this warrants adequate cash flows against repayment of debt obligations.

Comfortable coverage metrics

The debt coverage ratio of the RSIPPL for FY2023 is 1.48 times. However, the rating draws comfort from the presence of escrow account, maintenance of debt service reserve account (DSRA) equivalent to 3-month of repayment obligations.

Weaknesses

Customer concentration risk in revenue receipts

To serve the LRD loan, the company's revenues are entirely dependent on single customer i.e. Indutch. Acuité believes that any unprecedented stretch in receiving lease rental from Indutch is likely to impact RSIPPL's debt servicing ability. However, the risk is partially mitigated by the long-term agreement of 12 years and including a 5-year lock in period as per the lease agreement.

Vulnerability to volatility in interest rates

The floating interest rate on debt exposes the company to fluctuation in interest rates. Although the cash flow will be able to absorb the impact of moderate fluctuations in interest rates. With moderate increase in interest rate the DSCR is expected to be above 1.

Rating Sensitivities

Not Applicable

Liquidity Position Adequate

The company has an adequate liquidity position with stable rental income, which provides

comfortable coverage over the scheduled debt repayment obligation. RSIPPL has unencumbered cash and bank balance of Rs. 1.75 Cr as on March 31, 2023. Further, it has DSRA (in form of FD) equivalent to three-month interest and principal obligation on SBI loans, which provides additional liquidity support.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	15.44	0.79
PAT	Rs. Cr.	(8.41)	(2.34)
PAT Margin	(%)	(54.47)	(294.94)
Total Debt/Tangible Net Worth	Times	(13.74)	(37.05)
PBDIT/Interest	Times	1.45	(3.79)

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>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Apr 2023	Lease Rental Discounting	Long Term	130.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
18 Aug 2022	Term Loan	Long Term	79.06	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	21.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	8.40	ACUITE BBB Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	41.54	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Lease Rental Discounting	Not avl. / Not appl.	Not avl. / Not appl.	10 Mar 2034	Simple	100.00	ACUITE BBB Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	Not Applicable Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Mar 2027	Simple	30.00	ACUITE BBB Reaffirmed & Withdrawn

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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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