



## Press Release

### Raudra Technocrats Private Limited

December 17, 2020

#### Ratings

Instrument Facility /	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	5.00	IVR B+/Stable	Assigned
(Proposed) Long Term Bank Facilities	2.50	IVR B+/Stable	Assigned
Short Term Bank Facilities	5.00	IVR A4	Assigned
<b>Total</b>	<b>12.50</b> <b>(Twelve crore and fifty lakhs)</b>		

Details of Facilities are in Annexure 1

#### Detailed Rationale

The ratings assigned to bank facilities of Raudra Technocrats Private Limited factors experienced promoters and modest debt protection metrics. However, rating is constrained on account of modest scale of operations and intense competition, vulnerability to socio economic and political factors, and sharp decline in turnover coupled with modest half yearly performance.

#### Key Rating Sensitivities:

##### Upward Factors

- Substantial & sustained improvement in scale of operations leading to improvement in debt protection metrics.

##### Downward Factors

- Further decline in scale of operations leading to deterioration in debt protection metrics

#### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths



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- **Experienced and resourceful promoters:** The promotor has experience of 20 years in the civil construction industry. This has given them an understanding of the dynamics of the market and enabled them to establish relationships.
- **Modest debt protection metrics:** The company has modest debt protection metrics as reflected in overall gearing of 0.27 times, interest coverage of 3.06 times, and Total Outside Liabilities to Tangible Networth of 2.06x as on 31<sup>st</sup> March 2020.

### Key Rating Weaknesses

- **Modest scale of operations and intense competition:** Scale of operations remain modest in a highly competitive and tender nature of business. The scale of operations and intensive competition remain a key factor in long term.
- **Vulnerability to socio economic and political factors:** Since the company's business is tender based it is highly dependent on the political factors as reflected in sharp decline in turnover during FY 20 on account of elections in the state of Gujarat. The company has also not recorded a moderate performance up to November 2020 on account of the Novel Coronavirus Pandemic resulting in minimum contracts undertaken and minimum new bids accepted.
- **Sharp decline in turnover coupled with modest half yearly performance:** The company's turnover has significantly declined by 75% during FY 2020 as reflected in turnover of Rs.24.22 Cr during FY 2019 and Rs. 5.79 Cr during FY 2020. Moreover, it has also recorded modest half yearly financial performance which has been impacted on account of COVID-19 pandemic.

**Analytical Approach:** Standalone

**Applicable Criteria:**

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non- Financial Sector)



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### **Liquidity –Adequate**

The liquidity is considered to be adequate as reflected in cash and bank balance of Rs. 0.19 lakhs, current ratio of 1.61 times, and quick ratio of 1.27 times during FY 20.

### **About the Company**

Raudra Technocrats Private Limited (RTPL) was established as a proprietorship firm under the name M/s Rati Engineering, in 2010 with Mr. Gautam Bhesania as the proprietor. The firm was reconstituted as a partnership firm in 2013 with Mrs. Sweta Gautam Bhesania (wife of Mr. Gautam Bhesania) joining in as partner. In 2014 the firm was reconstituted as a private limited company with the same shareholding pattern. RTPL is a class 'AA' government approved civil contractor that undertakes projects related to rain-water harvesting, road construction, solar EPC, mining and pipeline works for government departments and private companies majorly within Gujarat. Its registered office is in Gandhinagar, Gujarat.

### **Financials (Standalone):**

<b>For the year ended / As on</b>	<b>31-03-2018</b>	<b>31-03-2019</b>	<b>31-03-2020*</b>
	<b>A</b>	<b>A</b>	<b>Provisional</b>
Total Operating Income	20.87	24.22	5.79
EBITDA	1.43	1.50	0.98
PAT	0.90	1.03	1.07
Total Debt	3.74	1.58	2.07
Adjusted Tangible Net worth	7.63	7.41	8.44
<b><u>Ratios</u></b>			
EBIDTA Margin	6.87	6.19	16.91
PAT Margin	4.29	4.19	17.29
Overall Gearing ratio	0.60	0.24	0.27

\* Classification as per Infomerics' standards



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### Status of non-cooperation with previous CRA:

CRISIL Ratings in their press release dated September 18<sup>th</sup>, 2019 have classified Raudra Technocrats Private Limited as ISSUER NOT COOPERATING.

### Any other information:

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash credit	Long term	5.00	IVR B+/Stable	-	-	-
2	Cash credit (Proposed)	Long term	2.50	IVR B+/Stable	-	-	-
3	Bank guarantee	Short term	5.00	IVR A4	-	-	-
4	Letter of credit	Short term	(2.00)*	IVR A4	-	-	-

\*(Sublimit of Bank Guarantee).

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.



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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash credit	-	-	-	5.00	IVR B+/Stable
Cash credit (Proposed)	-	-	-	2.50	IVR B+/Stable
Bank Guarantee	-	-	-	5.00	IVR A4
Letter of Credit	-	-	-	(2.00)*	IVR A4

\*Sublimit of Bank Guarantee