



Press Release

Indus Sor Urja Private Limited

October 26, 2020

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Ratings	Rating Action
1.	Long Term Bank Facilities	19.93	IVR BB+/ Stable (IVR Double B Plus Stable Outlook)	Assigned
	Total	19.93		

Details of Facilities are in Annexure 1

Detailed Rationale

The rating assigned to the bank facilities of Indus Sor Urja Private Limited draws comfort from extensive experience of the directors, long term lease agreement with reputed organisations and comfortable profitability margins. However, these rating strengths are partially offset by its small scale of operations. The Rating also considers the Escrow mechanism and structured payment of the bank facility.

Key Rating Sensitivities:

Upward Factor:

- None, as it is an LRD with already fixed and incorporated terms and condition i.e. rent escalation clause etc.

Downward factor:

- Vacating by any company and/or external factor leading to decline in cash flows as projected will lead to a rating downgrade.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the Directors**

The directors of the company have been engaged in various other fields of real estate viz. townships, residential, commercial, shopping malls, hotels and educational institutions. They are also director in various other entities within the Ambience Group.

- **Escrow mechanism and structured payment**

The bank loan facility has been structured in the form of a Lease Rental Discounting (LRD) facility. The terms of the LRD facility require that the lease rental receivables from the tenants be routed directly to an Escrow Account set up specifically for the repayment of the said LRD facility and are applied towards payment of the scheduled interest and principal repayments. The balance amount is to be transferred to the corporate account of Indus Sor Urja Pvt Ltd.

- **Long Term Lease Agreement with Reputed Organisation**

The company has leased its Farm House to Delhi International Airport Pvt Ltd., GMR Airports Ltd. and GMR Consulting Services Pvt Ltd. of GMR Group. As per the terms of the lease agreement, the initial lease period was 5 years which was renewed in March 2020 for 5 years and has a provision of extending for another term of 5 years each i.e. for total tenor of 15 years. The lessees being reputed organizations, the counterparty risk is low.

- **Comfortable profitability Margins**

The company has a comfortable profitability margins with EBITDA Margin of 96.48% in FY20. PAT margin has also improved from 30.54% in FY19 to 35.02 in FY20. The increase in margins is due to decrease constant decrease in the interest expense of the company.

Key Rating Weaknesses

- **Small Scale of Operations**

The company has a small scale of operation with the total operating income of Rs. 4.14 Crore arising from the farm house leased to Delhi International Airport Pvt Ltd., GMR



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Airports Ltd. and GMR Consulting Services Pvt Ltd. of GMR Group. The company has no other source of income. The company has a Net worth base of Rs. 13.48 Crore.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-financial Sector)

Rating Methodology for Structured Debt Transaction (Non-securitisation transaction)

Liquidity: Adequate

Indus Sor Urja Pvt Ltd has a term loan facility structured in the form of a Lease Rental Discounting (LRD) facility. The terms of the LRD facility require that the lease rent receivables be routed directly to an Escrow Account and applied towards payment of scheduled interest and principal repayments of the LRD facility. Overall liquidity position seems to be Adequate. Cash and cash equivalent was modest at Rs. 2.40 crore as on March 31, 2020.

About the Company

M/s Indus Sor Urja Pvt. Ltd. was set-up as a private limited company with its registered office in New Delhi. The company is a group company of Ambience Group, based out of New Delhi. The company owns a Farm House, bearing No.D-17, Pushpanjali Farms, Bijwasan, New Delhi.

Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	4.14	4.14
EBITDA	4.00	3.99
PAT	1.32	1.52
Total Debt	21.33	19.97
Tangible Net worth	11.96	13.48
EBITDA Margin (%)	96.52	96.48
PAT Margin (%)	30.54	35.02
Overall Gearing Ratio (x)	1.78	1.48

**Classification as per Infomerics' standards*



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Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (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.	Term Loan	Long Term	19.93	IVR BB+/ Stable	-	-	-

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.

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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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facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Facilities – Term Loan	-	-	-	19.93	IVR BB+/ Stable