



Press Release

Unique Infra Engineering India Private Limited (UIEIPL)

December 20, 2023

Ratings:

Instrument / Facility	Amount (Rs crore)	Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities	20.05	IVR BBB-/ Stable (IVR Triple B minus With Stable Outlook)	Assigned	Simple
Short Term Fund Based Bank Facilities	10.00	IVR A3 (IVR Single A Three)	Assigned	Simple
Short Term Non-Fund Based Bank Facilities	82.00	IVR A3 (IVR Single A Three)	Assigned	Simple
Proposed Long Term Bank Facilities	2.00	IVR BBB-/ Stable (IVR Triple B minus With Stable Outlook)	Assigned	Simple
Total	114.05			

Details of Facilities are in Annexure 1

Detailed Rationale:

The ratings assigned to the bank facilities of Unique Infra Engineering India Private Limited continue to derive strength from experienced promoters in infrastructure sector, healthy order book, improved financial risk profile and comfortable capital structure and debt protection metrics. However, the rating strengths are partially offset by exposure to competitive segment and inherent risk in nature of business and Tender-based nature of operations with intense competition in the industry .

Key Rating Sensitivities:

Upward Factors:

- Growth in scale of operation with improvement in profit margins leading to improvement in cash accruals on sustained basis.
- Increase in order book and timely execution of the same
- improvement in debt protection metrics.



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Downward Factors:

- Decline in operating income and profitability.
- Substantial decline in execution of work orders.
- Stretch in the working capital cycle negatively impacting liquidity position.

Key Rating Drivers with detailed description:

Key Rating Strengths:

Experienced Promoters in infrastructure sector – Unique Infra Engineering India Pvt Ltd is a Rajasthan based Infrastructure company promoted by Mr. Ram Suresh Yadav, Mr Atul Kumar Yadav and Mr. Chetanya Suresh Yadav who are second generation in its business and have over two decades of experience in the infrastructure industry. The company is well supported by second line of management. The extensive experience of the promoters and established presence in the said industry has helped to maintain regular flow of orders.

Healthy Order book - The company has unexecuted order book of Rs 617.94 crores as on October 2023 which is executable in upcoming 6-12 months which provides healthy revenue visibility over short- medium term.

Improved financial risk profile - The total operating income improved to Rs. 294.03 Cr. in FY23 from that of Rs. 189.41 Cr. in FY22. Simultaneously, the EBITDA of the company improved to Rs 41.61 Cr in FY23 from Rs 27.63 Cr in FY22 and the PAT of the company stands improved to Rs 18.22 Crs in FY23 from Rs 12.70 Crs in FY22. The company has achieved revenues in tune of Rs 250 crs for a period from April 23 to September 23 as informed by the management of the company.

Comfortable capital structure and debt protection metrics - The capital structure marked by an overall gearing stood at 0.77 times as on March 31, 2023. The net worth of the company stood at Rs.58.79 crore in FY 2023 as compared to Rs.40.40 crore in FY 2022. Interest service coverage ratio (ISCR) is healthy and stood 3.32 times in FY2023. The debt service coverage ratio (DSCR) of the company also stood healthy at 1.95 times in FY2023.



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Key Rating Weaknesses:

Exposure to competitive segment and Inherent risk in nature of business

Intense rivalry, many participants, and low entry barriers are characteristics of the industry. For government agencies, the corporation builds roads as part of its operations. Additionally, the fierce competition in this market may lead to aggressive project bidding, which would affect the company's profit margins. The primary business risks faced by the corporation in the sector include economic fragility, regulatory risks in developing markets, delays in government payments, project execution risk, and variable input costs.

Tender-based nature of operations with intense competition in the industry

The domestic infrastructure/construction market is extremely competitive, with many competitors of all sizes and skill levels present. Additionally, the company derives 90% of its work orders from government departments via tenders put forth by the departments and based on its success in winning these tenders amid fierce pricing competition. Due to the competitive nature of the industry, the company's profit margin may be under pressure. However, reassurance is provided by the promoters' lengthy career.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

Liquidity – Adequate

The liquidity position of the company is expected to remain adequate characterized by moderate cushion in its gross cash accruals of Rs. 23.18 Cr in FY23. The current ratio remained comfortable at 2.02x as on March 31, 2023. The average monthly fund based working capital utilization of the company stood at 98% for the past 12 months period ended October 2023 indicating low liquidity cushion. However, the company's free cash and bank balance stood at Rs. 0.23 Crore as of March 2023.

About the Company



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Unique Infra Engineering India Pvt. Ltd. is a registered company under the Indian Companies Act which was founded in the year 1999, Udaipur, Rajasthan. The parent company of Unique Infra engineering India Pvt. Ltd., was M/s Unique Engineers, was founded by Mr. R.S. Yadav in the year 1994. Company is working as a contractor in various fields of civil construction work i.e. Industrial Projects, Development of Residential & Commercial Complex, Township Projects, Hotels & Resorts, Institution & Campus Development, Road and Bridge Projects. UIEIPL is an AA class certified govt. contractor from the Rajasthan Housing Board.

Financials: Standalone

(Rs. crore)

For the year ended/* As On	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	189.41	294.03
EBITDA	27.63	41.61
PAT	12.70	18.22
Total Debt	36.18	45.52
Tangible Net-worth	40.40	58.79
Ratios		
EBITDA Margin (%)	14.58	14.15
PAT Margin (%)	6.70	6.19
Overall Gearing Ratio (x)	0.90	0.77

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Fund Based Bank Facilities	Long Term	20.05	IVR BBB-/ Stable	-	-	-
2.	Short Term Fund Based Bank Facilities	Short Term	10.00	IVR A3	-	-	-



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3.	Short Term Non-Fund Based Bank Facilities	Short Term	82.00	IVR A3	-	-	-
4.	Proposed Long Term Bank Facilities	Long Term	2.00	IVR BBB-/ Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information visit www.infomerics.com.

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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
Long Term Fund Based Bank Facilities – Term Loan	-	-	Up to Sep 2028	7.05	IVR BBB-/ Stable
Long Term Fund Based Bank Facilities -Cash Credit	-	-	-	13.00	IVR BBB-/ Stable
Short Term Fund Based Bank Facilities	-	-	-	10.00	IVR A3
Short Term Non-Fund Based Bank Facilities	-	-	-	82.00	IVR A3
Proposed Long Term Bank Facilities	-	-	-	2.00	IVR BBB-/ Stable

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-UIEIPL-dec23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it based on complexity and a note thereon is available at www.infomerics.com.