



Press Release

Univastu India Limited (UIL)

May 16, 2024

Ratings:

Instrument / Facility	Amount (Rs. crores)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	19.93	IVR BB/ Stable (IVR Double B With Stable Outlook)	Reaffirmed	Simple
Short Term Bank Facilities	12.00	IVR A4 (IVR A Four)	Reaffirmed	Simple
Total	31.93 (Rupees thirty-one crore & ninety-three lakhs only)			

Details of Facilities are in Annexure 1

Detailed Rationale:

The ratings to the bank facilities of Univastu India Limited continue to derive strength from experienced promoters & management team, reputed clientele, moderate scale of operation, healthy order book and diversified geographical presence. However, these rating strengths remain constrained by exposure to competitive segment & inherent risk in nature of business and working capital intensive operations.

Key Rating Sensitivities:

Upward Factors:

- A sustained improvement in the revenue and debt protection parameters while maintaining the profitability.

Downward Factors:

- Any significant decline in the revenue and/or profitability and/or an increase in the gross working capital cycle.
- Significant deterioration in debt protection parameters.



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Key Rating Drivers with detailed description:

Key Rating Strengths:

Experienced promoters & management team:

Univastu India Limited (UIL) was incorporated in 2009 by Mr. Pradeep Khandagale, to undertake civil construction work for the government. He has two decades of vast experience in civil construction industry. Further the company has a team of experienced and capable professionals, having over a two decade of experience in the segment, to look after the overall management. The day-to-day operations of the company are looked after by the senior management having considerable experience with technological background.

Reputed clientele

The company has been catering to a reputed client base like CIDCO, Sport Authority of Goa, PWD Ahmednagar etc. The company bids for tenders floated by various government entities across the country. The company has relationships built over the years with clients who give repeated orders.

Moderate scale of operation

The total operating income improved by 48% from Rs. 58.74 Crore in FY22 to Rs. 86.95 crore in FY23. Gross Cash Accrual of the firm increased and stood at Rs. 7.55 Crore in FY23 from Rs. 6.27 Crore in FY22. The profitability margins of the firm, like EBITDA margin moderated from 21.25% in FY22 to 16.82% in FY23 due to the increase in raw material consumption cost and due to the increase in administration expenses. In line with the EBITDA Margin, PAT Margin also moderated from 8.86% in FY22 to 7.61% in FY23.

Healthy Order book

The company has healthy unexecuted orders in hand of Rs.20.39 crore as on March 31st, 2024, which is expected to be completed within next 12 to 30 months, indicating a satisfactory medium term revenue visibility.

Diversified geographical presence.

Univastu Bootes Infra LLP a partnership firm of UIL was incorporated on 21st July 2022. It is working in north region of India in EPC industry. With this UIL's business operations have expanded beyond Maharashtra and Goa to north India region. Further UIL is continuously working to diversifying business customer wise, In this regard, company has recently tied up with Myrtha Pools as an exclusive partner for India for construction of swimming pools in India.

Key Rating Weaknesses:



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Working capital intensive operations

The operating cycle of the company improved and stood comfortable at 16 days in FY23. The average collection days stood moderate at 95 days in FY23. The average creditor days stood at 78 days in FY23. However, the reliance on working capital borrowings remained high and the average utilization stood high at 94% for last twelve months ended February 2024.

Exposure to competitive segment and Inherent risk in nature of business

The domestic infrastructure sector is highly fragmented, marked by the presence of many players with varied statures & capabilities. A boom in the infrastructure sector, a few years back, resulted in an increase in the number of players. While the competition is perceived to be healthy, a significant price cut by few players during the bidding process is a matter of serious concern for the users with respect to quality of output. UIL faces direct competition from various organized and unorganized players in the market.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has taken consolidated approach for the purpose of analysing the business and financial performance of the company. The consolidated numbers take into account financial risk profiles of UIL and its subsidiaries –Univastu HVAC India Private Limited (76%), Univastu Charitable Trust (99%), and Univastu Bootes Infra LLP (51%) on account of common management, fungibility of cash flows between the entities and expected support in terms of promoter funding.

Particulars	Nature	% of shares held as on 31.03.2023
Direct Subsidiaries:		
Univastu HVAC India Private Limited	Subsidiary	76%
Univastu Charitable Trust	Subsidiary	99%
Univastu Bootes Infra LLP	Subsidiary	51%

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

[Consolidation of Companies.](#)

[Criteria on Rating Outlook](#)

[Default Recognition policy](#)

Liquidity – Adequate



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The liquidity position of the company is expected to remain adequate characterized by moderate cushion in its gross cash accruals of Rs. 7.55 Cr in FY23. The current ratio remained comfortable at 1.47x as on March 31, 2023. The average fund based working capital utilization of the company remained high at 94% for the past 12 months period ended Feb 2024 indicating moderate liquidity cushion. However, the company's free cash and cash equivalents stood at Rs. 3.65 Crore as of March 31st, 2023.

About the Company

Univastu India Limited (UIL) is based in Pune, Maharashtra was incorporated as a private limited company in 2009. It is promoted by Mr. Pradeep Khandagale. It was previously known as 'Unique Vastushilp and Projects Private Limited' and was converted into a public limited company in 2017. Consequently, the name of the company was changed to 'Univastu India Limited'. The company is listed on National Stock Exchange (NSE). UIL undertakes government civil infrastructure projects and has executed various projects such as construction of metro station, hospitals, indoor sports complexes, water supply & drainage projects, road projects, minor irrigation projects and more.

Financials:

Consolidated

(Rs. crores)

For the year ended/* As On	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	58.74	86.95
EBITDA	12.48	14.63
PAT	5.24	6.65
Total Debt	36.86	33.25
Adjusted Tangible Net-worth	38.69	45.33
Ratios		
EBITDA Margin (%)	21.25	16.82
PAT Margin (%)	8.86	7.61
Overall Gearing Ratio (x)	0.95	0.73



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Standalone

(Rs. crores)

For the year ended/* As On	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	58.63	80.14
EBITDA	12.41	14.29
PAT	5.22	6.59
Total Debt	37.38	32.68
Adjusted Tangible Net-worth	38.59	44.87
Ratios		
EBITDA Margin (%)	21.17	17.84
PAT Margin (%)	8.84	8.19
Overall Gearing Ratio (x)	0.96	0.73

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA:

Brickwork Ratings India Private Limited in its press release dated December 12, 2023 has placed the rating of Univastu India Limited (UPL) under Issuer Not Cooperating category due to non-availability of information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. crores)	Rating	Date(s) & Rating(s) assigned in 2023- 24	Date(s) & Rating(s) assigned in 2022-23 (March 30, 2023)	Date(s) & Rating(s) assigned in 2021- 22
1.	Long Term Fund Based Bank Facilities	Long Term	19.93	IVR BB/Stable	-	IVR BB/Stable	-
2.	Short Term Bank Facilities	Short Term	12.00	IVR A4	-	IVR A4	-

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About Infomerics:



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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. crores)	Rating Assigned/ Outlook
Long Term Fund Based Facilities – Cash credit	-	-	-	19.00	IVR BB/Stable
Long Term Fund Based Facilities – Term Loan			2024	0.93	IVR BB/Stable
Short Term Non Fund Based Facilities	-	-	-	12.00	IVR A4

Annexure 2: List of companies considered for consolidated analysis:



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Particulars	Nature	% of shares held as on 31.03.2023
Direct Subsidiaries:		
Univastu HVAC India Private Limited	Subsidiary	76%
Univastu Charitable Trust	Subsidiary	99%
Univastu Bootes Infra LLP	Subsidiary	51%

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Univastu-India-may24.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.