



## Press Release

### Utkal Builders Limited

November 13, 2024

#### Ratings

Facilities/ Instruments	Amount (INR crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	88.18	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR double B plus with Negative Outlook Issuer Not Cooperating)	IVR BBB-/ Stable (IVR triple B minus with Stable outlook)	Downgraded and moved to ISSUER NOT COOPERATING category; long- term rating outlook revised from 'Stable' to 'Negative'	Simple
Total	88.18 (INR Eighty- eight crore and eighteen lakh only)				

*\*Issuer did not cooperate; based on best available information*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics has downgraded the long-term rating and moved the rating assigned to the bank facilities of Utkal Builders Limited's (UBL) in the Issuer Not Cooperating category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The long-term rating outlook has been changed from Stable to Negative due to information availability risk

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.



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### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide e-mail communications dated August 2, 2024, November 4, 2024, November 5, 2024, November 6, 2024, November 7, 2024, and November 8, 2024, concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees, and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term bank loan facilities aggregating to INR 88.18 crore of Utkal Builders Limited (UBL) shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be noted as IVR BB+/ Negative ISSUER NOT COOPERATING; based on best available information (IVR double BB plus with negative outlook Issuer not cooperating; based on best available information).

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Real Estate Companies](#)

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

[Policy on Issuer Not Cooperating](#)

[Criteria of Rating Outlook](#)

[Policy on default recognition](#)

[Complexity level of rated Instruments/Facilities](#)

### **About the company**

"Utkal Builders" established in the year 1989 in Odisha deals in construction of residential, retail and commercial complexes, building and apartments. As part of the company's diversified portfolio that is cumulatively spread over 3 million sq. ft., under various stages of construction in residential, retail and office space the company has been successfully catering to the real estate needs of Odisha, since the last three decades. The company primarily develops its real estate projects in Bhubaneswar. Under residential segment, Utkal Builders



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has offered premium apartments like “Utkal Royal Residency”, “Utkal Heights”, “Utkal Vatika”, “Utkal Villas”, “Srikhetra Bhakta Nivas”, “Nirmala Plaza”, “Niharika Apartments”, “Baishanav Vihar”, “Shital Kunj”, “Krishna Kunj”, “Sriram Vihar”, “Devananda Vihar” and many more. The Company delivered more than two thousand residential flats in the last three decades.

### Financials (Standalone)

(INR Crore)

For the year ended* / As On	31.03.2022	31.03.2023
	Audited	Provisional
Total Operating Income	44.72	71.04
EBITDA	13.62	23.33
PAT	5.47	11.53
Total Debt	98.64	120.63
Tangible Net worth	112.79	124.32
EBITDA Margin (%)	30.45	32.85
PAT Margin (%)	11.93	16.04
Overall Gearing Ratio (x)	0.87	0.97
Interest Coverage (x)	1.82	3.12

\* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: NA

Any other information: Nil

### Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crore)	Rating	Date (s) & Rating(s) assigned in 2023-24	Date (s) & Rating(s) assigned in 2022-23	Date (s) & Rating(s) assigned in 2021-22
					Oct 19, 2023	-	-
1.	Term Loans	Long Term	33.19	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
2.	LRD	Long Term	44.21	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
3.	GECL	Long Term	4.28	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-



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Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crore)	Rating	Date (s) & Rating(s) assigned in 2023-24	Date (s) & Rating(s) assigned in 2022-23	Date (s) & Rating(s) assigned in 2021-22
					Oct 19, 2023	-	-
4.	Overdraft	Long Term	6.50	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-

\*Issuer did not cooperate; based on best available information

### Name and Contact Details of the Rating Analyst:

Name: Kaustav Saha	Name: Sandeep Khaitan
Tel: (033) 4803 3621	Tel: (033) 4602 2266
Email: <a href="mailto:kaustav.saha@infomerics.com">kaustav.saha@infomerics.com</a>	Email: <a href="mailto:sandeep.khaitan@infomerics.com">sandeep.khaitan@infomerics.com</a>

### 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 and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and



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information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank 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: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	Jan 2032	18.60	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 2	-	-	-	Feb 2028	4.59	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 3	-	-	-	Apr 2026	5.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 4	-	-	-	Mar 2026	5.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
LRD 1	-	-	-	Apr 2032	19.64	IVR BB+/ Negative ISSUER NOT COOPERATING*
LRD 2	-	-	-	Mar 2032	6.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
LRD 3	-	-	-	Mar 2035	18.57	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL	-	-	-	Aug 2029	4.28	IVR BB+/ Negative ISSUER NOT COOPERATING*
Overdraft	-	-	-	-	6.50	IVR BB+/ Negative ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information



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**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated analysis:** Not Applicable

**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)

