



## Rating Rationale

Raj Infrastructure Private Limited

21<sup>st</sup> April 2017

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**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 38.66 Crore of Raj Infrastructure Private Limited**

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### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Term Loan	38.66	Long Term	<b>BWR BB+</b> <b>(Pronounced BWR Double B Plus)</b> <b>(Outlook: Stable)</b>
<b>Total</b>	<b>Rs. 38.66 Crores (Rupees Thirty Eight Crore and Sixty Six Lakhs Only)</b>		

^ Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has relied upon Raj Infrastructure Private Limited's (RIPL) audited financial results up to FY16 and projected financials of up to FY18, the information/clarifications provided by the Company and the information available on the public domain.

The ratings, inter alia, factor established track record of the company, experience of the promoters in the industry, strong project execution record and promoter's ability to infuse funds to meet debt repayment. The ratings however, constrained by event risk such as termination of concession agreement by awarding authority, challenging business environment, reduction in expected traffic and exposure to BOT based road projects.

### Rating Outlook: Stable

BWR believes the **Raj Infrastructure Private Limited** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.



### About the Company

Raj Infrastructure Private Limited (RIPL), is engaged in BOT road projects in Maharashtra. The company is promoted by Jagdish L. Kadam and Ram U. Nimbalkar and is based in Pune. The company has built two BOT toll road projects one being on Chakan-Shikrapur Road and other on Prakasha-Chadwel-Samoda-Vinchur Road. Out of the two toll roads, Prakasha-Chadwel-Samoda-Vinchur Road is currently operational while Chakan-Shikrapur Toll Road was taken over by the state government in June 2015 for a total compensation of Rs. 56.30 Cr.

### Company Financial Performance

The company has achieved Rs. 21.17 Cr of toll revenue in FY 16, as against Rs. 31.67 Cr of toll revenue in FY15. The company reported net loss of Rs. 6.75 Cr in FY16 as against net profit of Rs 0.98 Cr in FY15.

### Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	FY16	FY15	FY14
1.	Term Loan	Long Term	38.66	BWR BB+ (Outlook :Stable)	-	-	-

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Infrastructure Sector](#)
- [Approach to Financial Ratios](#)

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### **Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### **About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100cities.

### **DISCLAIMER**

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