

Rating Rationale

Rajhans Infrabuild LLP

21 April, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 150 Crore of Rajhans Infrabuild LLP

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u>			
Term Loan	150	Long Term	BWR BB Outlook: Stable
Total	Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only.)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied on Techno Economic Viability Report prepared by an independent consultant at the instance of the lending bank, projected financials and cash flows pertaining to all the three projects, publicly available information and information/clarifications provided by the company.

The rating continues to factor experienced team of promoters with established track record in construction activities and favorable location of all the three projects in the fast growing city of Surat.

The rating is, however, constrained by very nascent stage of the project and inherent risks associated with project execution. Promoters have brought in part of the money which they have to contribute, and the banks which have sanctioned the loans have just started disbursing part of the loan amount.

Rating Outlook: Stable

BWR believes that the Rajhans Infrabuild LLP's 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 'Negative' if the project execution gets delayed, either due to inadequacy of funds or revenues go down and project execution is slower than expected.



About the Firm

Rajhans Infrabuild LLP, is a Special Purpose Vehicle created by Rajgreen Group, real estate player of Surat, Gujarat.

Rajhans Infrabuild LLP is a limited liability partnership firm established in July 2016 to construct the following projects in Surat, viz., – Rajhans Business Hub (Commercial), Rajhans Stadium Residency (Residential) & Rajhans Stadium Plaza (Commercial), and Rajhans Platinum Residency & Rajhans Platinum Plaza.

Rajhans group, promoted by Mr. Sanjav Movalia and his family members have successfully completed many residential and commercial projects in and around Surat. In partnership with Rajgreen group is their business venture with the Green Group, and is implementing a major entertainment venture in Surat..

Project Details:

Rajhans Business Hub: Rajhans Business Hub is a high- rise commercial complex with total Saleable area of 6,09,180 Sq. Ft. / 200 units and located at Pal – Adajan area of Surat. Total cost of the project is Rs.234.21 Crore of which Rs. 59.09 Crore is incurred as on March 18, 2017. The project is expected to be completed in December 2019.

Rajhans Platinum: Rajhan Platinum consists of two projects – Rajhans Platinum Residency consisting of residential complex and Rajhans Platinum Plaza consisting of commercial complex. Total saleable area of the entire project is 584033 sq.ft with 360 residential units and 247 commercial units. Total cost of the project is Rs. 92.91 Crore. Total cost incurred as on February 28, 2017 was Rs. 52.5 crore.

Rajhans Stadium: Rajhan Stadium consists of two projects – Rajhans Stadium Residency consisting of residential complex and Rajhans Stadium Plaza consisting of commercial complex. Total saleable area of the entire project is 338135 sq.ft, with 120 residential units and 202 commercial units. Total cost of the project is Rs. 45.68 Crore and the development of the project has not yet started.

Firm's Financial Performance

The LLP was incorporated in July 2016 for development of above projects. Considering the promoter's contribution for all the projects, networth of the firm as on February 28, 2017 was Rs. 36.25 Crore (excluding unsecured loans). The firm has received TL sanctions from banks, which are in the process of disbursing the amounts in stages.

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	Date in 2016	Date in 2015	Date in 2014
1.	Term Loans	Long Term	150	BWR BB (Stable)	-	-	-

Status of non-cooperation with previous CRA (if applicable): Reason and comments: N/A

Any other information: N/A

Hyperlink/Reference to Applicable Criteria

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

For any other criteria obtain hyperlinks from website

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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 Investors queries can be sent to 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 100 cities.

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