

Rating Rationale

True Value Infrabuild LLP

21st April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 50.00 crores (INR Fifty Crores Only/-) of True Value Infrabuild LLP

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<i>Fund Based Term Loan</i>	50.00	Long Term	BWR BB+ Outlook : Stable (Pronounced as BWR Double B Plus)
Total	Rs. 50.00 Crores (Rupees 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 upon Audited financials up to FY 16, projected financials of up-to FY 18 and publicly available information.

The ratings, inter alia, factor the experience of promoters/management in the industry, and the firm's track record of real estate projects successfully executed. The rating also considers that a significant part of promoter's margin and unsecured loans (subordinated to term loan) aggregating Rs.37.40 Crs have already been infused in the project.

The rating, however, notes the project execution risk. The project is at an initial stage and though bookings have been reported, sales are yet to be seen.

The company's ability to execute the project without a time and cost overrun along with the sale of units would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **True Value Infrabuild LLP** 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 are as estimated. The rating outlook may be revised to 'Negative' if the sales and profit margins are not as per the projections made.

About the Company

True Value Infra World LLP belongs to the True Value Group. True Value Group has come into existing in 2008 for construction and real estate consultancy. The Group is engaged in activity of Purchase, Sale, and lease of land and properties including organization, development and construction of housing projects and commercial complexes. The Group has completed a total of five projects, starting from 2008 to 2016, namely Kanak Residency-1, Kanak Residency-, Matrix

Villa, Neptune Harmony, and West Gate. It has ongoing projects named D- Block, West Gate Business Bay and North One.

The firm is mainly managed, controlled and run by partners Mr. Manish D Shah , Mr. Hardayal T. Mansani , Mr. Miteshbhai S. Shah (Professional Partner), Mr. Mohit L. Gajjar (Professional Partner), Mr. Nilesh S. Patel (Professional Partner).

Project Details

The Firm is developing residential complex named “The East Ebony” located at Bodakdev, Ahmedabad, Gujarat. It has saleable are of 358727 sq. ft., consisting of 55 units.

Total cost of the project is Rs.172 Crs, proposed to be funded by Promoters contribution of Rs 43 Crs, unsecured loan of Rs 29 Crs, Term loan from bank of Rs 50 Crs and advance from customers of Rs 50 Crs.

Company Financial Performance

As on Dec 2016, the company has incurred a total cost of 54.78 Crs, which has been funded by promoter’s contribution of Rs 15.01 Crs, unsecured loan of Rs 22.39 Crs and advances from customers of Rs 13.80 Crs. As of 31st March 2016, the net worth of the company stood at Rs 37.40 Crs including unsecured loan.

Rating History for the last three years

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount(Rs Crs)	Rating	2016	2015	2014
1	Fund Based	Long term	50.00	BWR BB+ (Stable)	-	-	-

Hyperlink/Reference to Applicable Criteria

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

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
Mr. Sunil Bhardwaj Assistant General Manager	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	



For print and digital media

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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.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.