

Rating Rationale

Aatrey Tulips Infracon LLP

4 Jun 2018

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Aatrey Tulips Infracon LLP. ('ATILLP' or 'The Firm')

Particulars

| Facility | Limits (₹ Crs) | Tenure | Rating* |
|--------------|-------------------|---------------------------|---|
| Fund Based | 30.00 | Long Term | BWR BB- (Pronounced as BWR double B Minus) (Outlook:Stable) |
| Total | 30.00 | Rupees Thirty Crores Only | |

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

Rationale/Rating sensitivities:

BWR has essentially relied upon the firm's provisional financial results of FY18, financial projections up to FY21, publicly available information and clarifications/information provided by the Partners.

The rating draws strength from Strong partners having an extensive experience of the industry and Strategic location of the project. The rating also takes into account that the financial closure has been achieved and disbursement commenced, the promoters have successfully completed and sold commercial and residential space projects in the same vicinity in the recent past and the project appears to be in line with the implementation schedule. The ratings are however, constrained by the project execution risk associated with a green field project, competition from presence of established players in the market and other around the location, sluggish and a slow down in the real estate sector and changes in the government policies have a bearing on the profitability of the firm. The rating also considers that the project is at an initial stage and though bookings have been reported, sales are yet to be seen.

The ability of the firm to achieve the projections, to execute the project without any time and cost overrun, shall be the key rating sensitivity.

Key Rating Drivers:

Credit Strengths:

- Strong partners having an extensive experience of the industry.
- Strategic location in Ahmedabad, Gujarat.
- The promoters have successfully completed and sold commercial and residential space projects in the same vicinity in the recent past.
- Financial closure has been achieved and disbursement commenced.

- As on 30.04.2018, Out of total estimated COP of ~Rs. 67.47 Crs, ~Rs. 34.97 Crs has been expanded. Capital of ~Rs. 10.22 Crs has been infused against ~Rs. 10.67 Crs estimated. USLs of ~Rs. 10.14 Crs has been added.
- The project appears to be On schedule.

Credit Risks:

- The project execution risk associated with a green field project.
- The project is at an initial stage and though bookings have been reported, sales are yet to be seen.
- Competition from presence of established players in the market and other around the location.
- Sluggish and a slow down in the real estate sector.
- Changes in the government policies have a bearing on the profitability of the LLP.

Analytical Approach:

While assigning the Ratings, BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Aatrey Tulips Infracon 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 '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 firm:

"Aatrey Tulips" is a project by Aatrey Group which has developed various commercial and residential projects in the vicinity of Ahmedabad. The founding promoter Mr. Mohan Agrawal who is civil engineer by qualification has started his career in the field of AMC plan passing consultant and later on in the year 2008 he has ventured into real estate business. Aatrey Tulip is vision of Mr Mohan Agrawal who has developed and successfully sold more than 375 units in the vicinity of Hansol during last 7-8 years. Due to his past experience he has incorporated new LLP for the purpose of developing project in the same area where he has brand image with name "aatrey". The project LLP was incorporated on 13th April 2017 having name Aatrey Tulips Infracon LLP.

The project has 132 Residential units. The project has 6 blocks having ground plus twelve floors. Each block is having 22 residential units. As this is luxurious building each floor is having 2 units. Total approximate built up area for the entire project would be around 37717.33 Sq Mtrs. There are total 6 blocks A, B, C, D, I and J. Total saleable RERA Carpet area is 16514 Sq Meters excluding Balcony area and Terrace area (Balony area 1400 and terrace area of 1750 Sq Mtrs). The project is having approximate cost (Estimated) of Rs. 67.50 crores including interest during construction period.

Firm Financial Performance:

| Key Financial Figures | | |
|-----------------------|------------|--------------------------------------|
| Particulars | Unit | FY18 (Provisional - CA certified) |
| Operating Income | Rs. Crores | - |
| EBITDA | Rs. Crores | - |
| PAT | Rs. Crores | - |
| Tangible Net Worth | Rs. Crores | 12.27 |
| Total Debt | Rs. Crores | 21.30 |
| Total Debt : Equity | Times | 1.74 |
| Current Ratio | Times | 5.94 |

As on 30.04.2018, Out of total estimated COP of ~Rs. 67.47 Crs, ~Rs. 34.97 Crs has been expanded. Capital of ~Rs. 10.22 Crs has been infused against ~Rs. 10.67 Crs estimated. USLs of ~Rs. 10.14 Crs has been added.

Rating History for the last three years:

| Sl. No. | Instrument /Facility | Current Rating (Year 2018) | | | Rating History | | |
|--|----------------------|----------------------------|-----------------|--|----------------|------|------|
| | | Type | Amount (Rs Crs) | Rating | 2017 | 2016 | 2015 |
| 1 | Fund Based | Long Term | 30.00 | BWR BB- (Pronounced as BWR double B Minus) (Outlook:Stable) | -- | -- | -- |
| Total : Rs. 30.00 Crs (Rupees Thirty Crores Only) | | | | | | | |

Status of non cooperation with Previous CRA : NA

Any other information: Non Applicable

Aatrey Tulips Infracon LLP

Bank Facilities

Annexure - I

| Name of the Bank | Facilities | Tenure | Amount (₹ Crores) |
|---------------------|-------------|-----------|----------------------|
| State Bank Of India | Cash Credit | Long Term | 30.00 |
| Total | | | 30.00 |



Hyperlink/Reference to applicable Criteria

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

| Analytical Contacts | 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

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