

Rating Rationale

Brickwork Ratings assigns ‘BWR B-’ for Long Term Bank Loan Facilities of ₹34.31 Cr of Abhijit Realtors & Infraventures Pvt Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the Bank Loan Facilities of Abhijit Realtors & Infraventures Pvt Ltd.

Facilities	Amount (₹ Cr)	Tenure	Rating
<u>Fund Based</u> Dropdown OD	9.31	Long Term	BWR B- (Pronounced BWR B Minus) Outlook - Stable
<u>Fund Based</u> Dropdown OD	25.00 Proposed		
Total	34.31	INR Thirty Four Crores Thirty One Lakh only	

BWR has principally relied upon the audited financial statements up to FY15 of the company, details of projects, publicly available information and information / clarifications provided by the management.

The rating has factored, inter alia, experience of the promoters in the real estate industry, demonstrated capability to executing projects in residential and commercial segment, satisfactory progress of the project and booking status supported by receipt of advance from the customers. The rating is however constrained by, project execution risk as the project is in initial stage of construction, stressed liquidity with high leverage profile of the Company and inherent cyclical nature of the real estate industry.

Background:

Abhijit Realtors & Infraventures Pvt Ltd was incorporated in Sep 2007 with its office at Nagpur. The company is promoted by Mr. Abhijit Manjumdar and Family. The Company is engaged in a real estate residential redevelopment projects in Nagpur. Under this, the Company is executing a redevelopment project in the name of “Jayanti Nagari V” with saleable area of 286,335 sq ft. at Besa, Nagpur.

Management-Profile:

The key management of the company is Mr. Abhijit Majumdar and Mr. Joydebkumar Majumdar.

Mr. Abhijit Majumdar, Director is a M.Tech and have a vast experience of handling various functions and managing the affairs of the real estate industry. He looks procurement, marketing and operational work of company.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Mr. Joydebkumar Majumdar, Graduate and have a vast experience in the Real Estate Industry. He looks day to day affair and administration of company.

Financial Performance:

Total income has increased to Rs.96.79 Cr in FY15 as compared to Rs. 22.21 Cr in FY14. Operating profit has also increased in absolute terms to Rs. 12.08 Cr against Rs. 5.75 Cr in FY14, and PAT has increased to Rs. 6.31 Cr in FY15 as from Rs. 1.15 Cr in FY15

Profile of the Projects:

At present the Company is developing a residential project at Besa Nagpur in the name of “Jayanti Nagari V”. The proposed project comprising of ground floor + 10 to 12 floors in its three towers. The project consists of 360 residential and commercial units with total saleable area of project are 286, 335 sq. ft.

Rating Outlook:

Going forward, the ability of the company to timely execute and sell its ongoing project as per the schedule, at envisaged prices manage timely adequate liquidity to discharge its debt and sustain any adverse changes in the regulatory guidelines would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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