

Rating Rationale

Brickwork Ratings assigns ‘BWR BB-’ for Bank Loan Facilities aggregating ₹ 72 Cr of Adarsh Heights Pvt Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the Bank Loan Facilities of Adarsh Heights Pvt Ltd (*AHPL or the ‘Company’*).

Facility	Tenure	Amount (₹ Cr)	Rating
Fund Based Term Loan	Long Term	72.00	BWR BB- (BWR Double B Minus) (Outlook – Stable)
Total		72.00 (INR Seventy Two Crores only)	

Details of the Bank Facilities are attached in Annexure I

BWR has principally relied upon the audited financial results up to FY13, projected financials of FY 17 to FY 20 of Adarsh Heights Pvt. Ltd, publicly available information and information/clarification provided by the Company’s management.

The rating has factored, inter alia, the promoter’s experience in Residential housing projects and commercial projects in Jharkhand, infusion of capital, project execution going on as per schedule. However the rating is constrained by nascent stage of project increasing the project execution risk and the uncertainties associated with the cash flows as the promoters are yet to start leasing out the spaces.

Background

Adarsh Heights Private Limited (AHPL) was incorporated on 19.04.2011 under “The Companies Act, 1956” of India. Its registered office is located at 16, Ganesh Chandra Avenue, 4th Floor, Kolkata, and West Bengal-700 013. The Company has already acquired about 1.49 acres of land to set up a Multiplex cum Shopping Mall to be known as “Ozone Galleria” in the heart of Capital City of Jharkhand at Circular Road, Ranchi. Promoters of the company are Nityananda Sonthalia and Bishnu Kumar Agarwala.

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

Financial Performance

The revenues are supposed to flow from 2017 as the project is still under implementation. The tangible networth of the company as on 31st March 2013 stood at Rs. 20.82 Crores.

Rating Outlook

The outlook for the Company is stable over the current year. The ability of the Company to execute projects within the stipulated time, lease out the spaces at a competitive rate and on time remains the key sensitivity.

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Annexure I

Bank Facilities Details – Adarsh Heights Pvt Ltd

Name of the Bank	Name of Facility	Amount (₹ Cr)
<i>State Bank Of India**</i>	Term Loan (Fund Based)	40.00*
<i>State Bank of Hyderabad</i>	Term Loan (Fund Based)	32.00
Total mandate amount		72.00

- *LC of Rs. 7.20 Crs as a sub-limit of Term Loan of Rs. 40.00 Cr.
- **SBI is the lead banker