

## Press Release

### Brickwork Ratings assigns ‘BWR BB+’ for the long-term Bank Loan Facilities aggregating ₹ 37.50 Cr of Aditya Construction

Brickwork Ratings (BWR) has assigned the following **Rating<sup>1</sup>** for the Bank Loan Facilities of Aditya Construction.

Facility	Limits (₹ Cr)	Tenure	Rating
Term Loan	37.50	Long Term	<b>BWR BB+</b> (BWR Double B Plus)  <b>Outlook - Stable</b>
<b>Total</b>	<b>37.50 (INR Thirty Seven Crores and Fifty Lakhs only)</b>		

The rating takes comfort from experienced partners, strategic location of the project displaying healthy sales velocity for the project, satisfactory cash flow position, modest booking status of the project, healthy operating profitability expected to be generated with completion of the Project. The rating is however constrained by project execution risk, cash flow susceptible to slow sales of the project due to headwinds being faced by the real estate industry.

#### Company Profile

Aditya Construction was formed in April 2011 construct residential and commercial projects in Ahmedabad. The current partners of the firm are Mr. NileshKumar Patel, Mr. Manish Shah, Mr. Sameer Maheshwari and True Value Nirman Pvt. Ltd. The firm has started the business with execution of Commercial project “Westgate” in Ahmedabad. The partners of the firm, Mr. Nileshkumar S Patel, Mr. Manish D Shah and Mr. Sameer B Maheshwari have a very vast experience in the field of Construction and Developers. Previously they were working in their individual capacity with other partnership firms.

#### Financial Performance

Aditya Construction follows the Project Completion Method (PCM) for revenue recognition. Here revenue recognition commences after risk and reward is transferred to the buyer. As Westgate is expected to be complete by July 2016, revenues are expected to be spread between 2016-2018. The Company has projected operating margin of 54% in FY 16 post completion of the project commanding better pricing on account of being located in the prime commercial location at Ahmedabad.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Rating

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## Rating Outlook

The key rating sensitivities will be the ability of the firm to execute the project on time and maintaining the sales momentum with cash accruals, sustaining its moderate capital structure and securing adequate working capital finances to support its construction cost.

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