



Rating Rationale

Agra Infraland Developers Pvt. Ltd.

6 March 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 34.00 Crores of Agra Infraland Developers Pvt. Ltd..

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	34.00	Long Term	BWR BB (Pronounced as BWR Double B) Outlook: Stable
Total	34.00	INR Thirty Four Crores Only	

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

Rating under Credit Watch with Positive / Negative / Developing implications

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results for the period FY15, FY16 and FY17 and projected financials for the period FY18 to FY19 of Agra Infraland Developers Private Limited ('AIDPL' or 'the Company'), publicly available information and information/clarification provided by the Company's management/Bank.

The rating necessarily factors in, the promoters' experience in real estate industry of more than two decades, with long existence of the Group in and around Agra, Uttar Pradesh, locational advantage for the project being located in important financial centre of Agra, expected satisfactory financial profile as indicated by reasonable ISCR of 1.03X & Average DSCR by the completion of the project in FY22 of 1.15X and satisfactory cash flow projections of Rs.158.00 Cr. from sale of real estate by FY22 and another Rs. 33.0 Cr. from lease rentals of premises estimated till the FY32. The rating is however constrained by timely execution risks of the project as any time overruns may lead to cost overruns. Besides sluggish and cyclical real estate market will be the key rating sensitivities.



Description of Key Rating Drivers

Credit Strengths:

Promoters Experience: Agra Infraland Developers Pvt. Ltd. is promoted by Phundilal Sharma & Dinesh Kumar Rathore who have combined experience of more than four decades in real estate sector.

Geographic Locational Advantage: ‘Corporate Park’ The company’s commercial complex project is located at Sanjay Place which is business and commercial district of Agra.

Financial Risk Profile: AIDPL has decent financial risk profile as indicated by reasonable ISCR of 1.03X & Average DSCR by the completion of the project in FY22 of 1.15X and satisfactory cash flow projections of Rs.158.00 Cr. from sale of real estate by FY22 and another Rs. 33.0 Cr. from lease rentals of premises estimated till the FY32.

Credit Risks:

Project Execution Risk: AIDPL has only one project under execution, and as such timely project execution is of critical importance for realization of cash flows and avoiding cost overruns.

Cyclical Risks: AIDPL faces cyclical business risks as real estate sector is highly susceptible to business cycles.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes the **Agra Infraland Developers Pvt. Ltd.** 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 Company

Agra Infraland Developers Pvt. Ltd. was incorporated in August 2013 with its registered office in Agra, Uttar Pradesh. The Company promoted by Phundilal Sharma & Dinesh Kumar Rathore is in business of real estate development. The company started its first project ‘CORPORATE PARK’ in March 2014. It is a Commercial Complex located in Block 109, Sanjay Place, Agra measuring 37,621.59 sq.ft. with a total saleable area of 2,19,878 sq. ft. The target end date of completion of the project is June 2018. The project



is registered under Real Estate Regulatory Authority-Uttar Pradesh (RERA -UP) under permit number 1310/BFH-1/03/13-14. The Revenue Model of the company comprises of both Sale/Lease of commercial real estate properties.

Company Financial Performance

The company reported Net Sales of Rs. 11.05 Cr. in FY 17 compared to Rs.11.36 Cr. in FY17. The Profit After Tax for FY17 was Rs.0.10 Cr compared to Rs.0.15 Cr in FY16. The tangible net worth of the company for the FY17 stood at Rs.10.13 Cr. compared to Rs.10.03 Cr. in FY16. In FY17 the company has unsecured loan from promoters and friends and intercorporate borrowings of Rs.12.22 Cr. & Total Debt stood at Rs.39.16 Cr. in FY17.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	2016	2015
1.	Fund Based	Long Term	34.00	BWR BB	NA	NA	NA
	Total		34.00	₹ Thirty Four Crores Only			

Status of non cooperation with Previous CRA : Non Applicable

Any other information: Non Applicable

Key Financial Indicators

Key Parameters	Units	March 2017	March 2016
Result Type			
Operating Revenue	₹ Cr	11.21	11.36
EBITDA	₹ Cr	4.37	3.55
PAT	₹ Cr	0.10	0.15
Tangible Net worth	₹ Cr	10.13	10.03



Total Debt/Tangible Net worth	Times	3.87	3.02
Current Ratio	Times	41.51	26.51

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)

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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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.