



Rating Rationale

Amit Realty Pvt. Ltd.

28 Sep 2018

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹9.66 Crores of Amit Realty Pvt. Ltd..

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (May 2017)	Present
Fund based	11.59	9.66	Long Term	BWR BBB-(SO) (Pronounced as BWR Triple B Minus) Outlook: Stable	BWR BBB-(SO) (Pronounced as BWR Triple B Minus) Outlook: Stable Reaffirmed
Total	11.59	9.66	INR Nine Crores & Sixty Six Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financial upto FY17, **provisional financial FY18**, and information / clarification given by Company's management.

The above rating has been assigned to the Lease Rental Discounting (LRD) loan of Amit Realty Private Limited which is backed by the lease rentals of its 4 anchor stores, namely Big Bazaar, Max Lifestyle, PVR Cinemas and Reliance Digital.

The rating draw strength from experience of one promoters in the Real Estate Industry, favourable location of the mall, comfortable gearing levels, LRD facility backed by the lease rentals of its anchor stores and **availability of escrow mechanism**. The rating, however, is constrained by relatively small scale of operations, reduced Interest Service Coverage and Gap risk.

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Going forward, the Company's ability to improve its scale of operations, net worth, profitability and timely servicing of debt obligations shall remain the key rating sensitivities.

Description of Key Rating Drivers

Credit Strengths:

One of the promoters is having an experience of more than 1.5 decade in the Real Estate Industry. Mall is located in the prime location of Bokaro city. Gearing Ratio is at 0.88 times on 31st Mar 2017. LRD facility is backed by the lease rentals of its anchor stores and **availability of escrow mechanism**. ARPL has adequate monthly rent receipts from its 4 anchor stores to meet debt obligations. Moreover, other Revenue sources such as income from car parking, advertising and promotional events provide additional support.

Credit Risks:

In FY17, the Company has reported the Total Operating Income of ₹9.65 Crs. The Interest Coverage Ratio reduced to 1.71 times in FY17 against 2.11 times in FY16. Gap risk arises between provisional and audited financial data of FY18

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 **Amit Realty 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

Amit Realty Private Limited (ARPL) was incorporated in 2007. The registered head office of the Company is located in Kolkata, West Bengal. The directors of the Company are Mr. Amit Tekriwal, Mr. Dharmendra Jain and Mr. Madan Lal Jain. ARPL has constructed a mall in Bokaro Steel City, Jharkhand. The mall is constructed on a land area of ~2 acres, on lease from Steel Authority of India Limited(SAIL) for 99 years and has all the usual facilities. The anchor stores of the mall are Big Bazaar, PVR Cinemas, Max Lifestyle and Reliance Digital. The Company is setting up a 70 rooms hotel under the franchise of Lemon Tree Hotels (LTH) Group with high class servicing facilities at Sector III/C, Bokaro Steel City, Bokaro – 827003, Jharkhand. In FY17, the construction has been started for the same.



Company Financial Performance

The Company has reported Net Profit of ₹0.72 Cr on Total Operating Income of ₹9.65 Crores in FY17 against Net Loss of ₹0.04 Cr on Total Operating Income of ₹11.11 Crs in FY16. In FY18, the Company has reported Net Profit of ₹0.62 Cr and Total Operating income of ₹6.67 Crs.

Rating History for the last three years

S.No	Facility	Current Rating			Rating History		
		Type	Amount (₹ Crs)	Rating	May 2017	Jan 2016	2015
1.	Fund Based Term Loan	Long Term	9.66	BWR BBB-(SO)	BWR BBB-(SO)	BWR BBB-(SO)	Not Rated
	Total		9.66	INR Nine Crores & Sixty Six Lakhs Only			

Status of non-cooperation with previous CRA: CARE BB-/A4 issuer non cooperation as on 5.4.2018.

Any other information: Nil

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Provisional	Audited
Operating Revenue	In ₹ Crs	6.67	6.42
EBITDA	In ₹ Crs	3.41	3.03
PAT	In ₹ Crs	0.62	0.72
Tangible Net worth	In ₹ Crs	16.05	15.43
Total Debt/Tangible Net worth	Times	0.77	0.88
Current Ratio	Times	0.65	0.52

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)



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

For any other criteria obtain hyperlinks from website

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities



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.