

Rating Rationale

Ansal Properties & Infrastructure Ltd

May 18, 2017

Brickwork Ratings assigns ratings for the Specific Bank Loan Facilities amounting to Rs. 236.60 Crs availed from Punjab National Bank by Ansal Properties & Infrastructure Ltd.

Particulars:

Facilities Rated#	Amount (Rs. Crs)	Tenure	Rating *
Fund Based	6.60	Long Term	BWR BB- (SO) [Pronounced BWR Double B Minus (Structured Obligation)] Outlook: Stable
Non-Fund Based	230.00		BWR B+ (Pronounced BWR B Plus) Outlook: Stable
Total	236.60	INR 236.60 Crores (INR Two Hundred Thirty Six Crores and Sixty Lakhs Only)	

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

The rated facilities are availed from Punjab National Bank. The rating is not valid for other borrowings of the company.

Rationale/Description of Key Rating Drivers/Rating Sensitivities:

BWR has principally relied upon the audited financial results of the company up to FY16, projected financial statements up to FY18, publicly available information and information/clarifications provided by the company.

The rating for the fund based limit factors in the credit enhancement in the form of availability of designated cash flows for repayment as the limit is a Lease Rental Discounting facility. The lender has exclusive charge over these cash flows and based on the same Structured Obligation rating has been assigned.

The rating draws strength from Ansal Group's operational track record in the real estate sector and availability of qualified & experienced management team. The rating, however, remains constrained by off-take risk as significant area remains to be sold in all the ongoing projects, extensive reliance on customer advances for completion of these projects, constrained liquidity position of the group and slowdown in the NCR real estate market.

Rating Outlook: Stable

BWR believes that Ansal Properties & Infrastructure Ltd's 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 company is able to achieve significant progress in terms of construction & sales in the ongoing projects and collect receivables promptly to improve the overall liquidity position. The rating outlook may be revised to 'Negative' if the progress in the ongoing projects is below expectations and liquidity position deteriorates any further.

About the Company:

Ansal Properties and Infrastructure Limited (APIL) is the flagship company of Ansal API Group. The group is a prominent real estate developer in India from last five decades and is promoted by Mr. Sushil Ansal. Ansal API Group is engaged in the development of integrated townships and other large mixed-use and standalone projects in the residential, commercial, retail and hospitality space segments, as well as SEZs, IT/ITES and industrial parks. The Group has delivered projects over 192 million square feet (msft) in various product segments. Projects are mainly located in National Capital Region (NCR), Uttar Pradesh, Haryana, Rajasthan and Punjab. APIL at present, has land reserves of more than 8000 acres.

Company's Financial Performance:

APIL reported Revenue of Rs. 699.79 Crs for FY16 in comparison with Rs. 844.49 Crs for FY15 and PAT of Rs. 29.38 Crs for FY16 in comparison with Rs. 21.95 Crs for FY15.

On a provisional basis, APIL has reported an Operating Income of Rs. 399.19 Crs for 9M FY17.

Rating History for the last three years:

Sl. No.	Facility	Current Rating (May 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
Fund Based							
1.	LRD Facility	Long Term	6.60	BWR BB-(SO)	NA	NA	NA
Non-Fund Based							
1.	Bank Guarantee	Long Term	230.00	BWR B+	NA	NA	NA

Hyperlink/Reference to Applicable Criteria:

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)

Analytical Contacts	Media				
<p style="text-align: center;"><u>RK Sharma</u> GM - Ratings</p> <p>analyst@brickworkratings.com</p>	<p style="text-align: center;">media@brickworkratings.com</p> <tr> <td colspan="2" data-bbox="802 617 1435 663" style="text-align: center;">Relationship Contact</td> </tr> <tr> <td colspan="2" data-bbox="802 663 1435 730" style="text-align: center;">bd@brickworkratings.com</td> </tr>	Relationship Contact		bd@brickworkratings.com	
Relationship Contact					
bd@brickworkratings.com					

Phone: 1-860-425-2742

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 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.