

Rating Rationale

Brickwork Ratings assigns ‘BWR BB’ for the proposed Bank Loan Facilities aggregating ₹70 Cr of Avigna Properties Pvt. Ltd

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the proposed Bank Loan Facilities of ₹70 Cr to Avigna Properties Pvt. Ltd (**APPL or “the Company”**)

Facility	Amount (₹ Cr)	Tenure	Rating [^]
Fund Based- Proposed Term Loans	70.00	Long Term	BWR BB (Pronounced BWR Double B) Outlook: Stable
Total	70.00	INR Seventy Crores only	

BWR has principally relied upon the audited financial results up to FY15, provisional financials of H1FY 16 and projected financials up to FY18, publicly available information and information/clarifications provided by the Company.

The ratings reflect the experienced management, medium term revenue visibility and progress in project construction. The ratings are, however, constrained by the Company’s medium scale of operations, high gearing and weak debt protection metrics, and intense competition from other real estate players in Chennai.

Background:

Avigna Properties Private Limited incorporated during the year 2011 having its registered office at Anna Nagar West, Chennai.

The company was formed for the purpose of construction of residential villas and apartments. The project of the company “AVIGNA CELESTE” is being implemented at Chengalpet District. The Project was launched in March 2014.

Management Profile:

The managing director of the company Mr.S.Rajasekaran, is also engaged in the garment sector and education industry

Financial Performance:

The Company has shown improvement in the revenue from the year FY14 and earned revenues of Rs.43.37 Cr in FY15 Profit after tax has also increased from Rs.0.16 Cr in FY 14 to Rs.1.16 Cr in FY15. Net profit margin is at 2.43% for FY 15.

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

Tangible net worth of the firm as on 31.3.15 is Rs.10.28 Cr.

As per provisional results of H1FY 16, Company has reported revenue of Rs.23.69 Crs and profit of Rs 1.25 Cr.

Rating Outlook

The outlook of the Company is expected to be stable over the medium term. Going forward, the Company's ability to complete the project in a timely manner with timely servicing of debt, achieve booking/sale of villas at projected levels and sustain its capital structure will be the key rating sensitivity factors.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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.