



Rating Rationale

Barnala Builders and Property Consultants

July 26th, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 39.70 Crs of Barnala Builders and Property Consultants.

Particulars

Facility Rated*	Amount (Rs. Crs)	Tenure	Rating ^
Term Loan (Fund Based)	39.70	Long Term	BWR BB Outlook: Stable
Total	Rs. 39.70 Crores (INR Thirty Nine Crores and Seventy Lakhs Only)		

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

* Term Loan Outstanding as on 15th July, 2017 has been considered for the Rating.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, provisional financials of FY17, publicly available information of **Barnala Builders and Property Consultants** and information/clarifications provided by the firm's management.

The rating draws strength from the experience of the partners, continuous flow of revenue from the sale of flats, satisfactory ongoing execution of project within stipulated timeline and cost (approx. 90% of the project competed), varieties of flat offerings (1/2/3/4/5/6 BHK luxurious apartments etc) and locational advantage due to proximity to Chandigarh city & other towns. However, the rating is constrained by withdrawal of capital by the partners, stretched capital structure due to low partners' capital, thin profitability margins, geographical and project concentration risk with a single project being executed in this company and the constitution of the entity being a partnership firm.

Going forward, the ability of the firm to complete execution and sale of the project within the estimated time line and cost, earn the projected profitability margins would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Barnala Builders and Property Consultants** 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 Firm

Barnala Builders and Property Consultants is a Zirakpur(Punjab) based real estate developer established in September 2005 as a partnership firm by Mr Satish Kumar Jindal and Mr Madan Lal Jindal. The firm is engaged in construction, development and sale of residential apartments. Since its inception, the firm has executed five projects in-and-around Zirakpur, Punjab.

Currently, the firm is developing a group housing project by the name ‘**Maya Garden City**’ on the Zirakpur- Ambala highway on a plot of land admeasuring 21.8 acres, with a total saleable area of about 25 lakh square feet (lsf). BBPC is offering 1,515 flats; with options of 1/2/3/4/5/6 BHKs and sizes are ranging from 610 sq feet to 4,769 sq feet. The firm has launched this project in November, 2011 and expected to complete on March 2018 at a total project cost of Rs.490 Crs. As of June 2017, the firm has received 80% of its total sale value of the project. Out of total flats of 1,515 flats, 1,215 have been already sold.

Firm Financial Performance

The firm has achieved net revenue of Rs. 176.75 Crs in in FY16 as against Rs. 169.54 Crs in FY15. As per provisional financials of FY17, the Firm has achieved net revenue of ~Rs. 142.54 Crs.

Rating History for the last three years: (including withdrawn/suspended ratings)

Instrument/ Facility	Current Rating (Year 2017)			Rating History		
	Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
Fund Based	Long Term	39.70	BWR BB (Stable)	Nil	Nil	Nil

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)



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, 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.