

Rating Rationale

Brickwork Ratings revises the rating for the Bank Loan Facilities aggregating to ₹ 9.50 Crores of Gold Star Realtors Ltd.

Brickwork Ratings has assigned following **Ratings**¹ for the Bank Loan Facilities of Gold Star Realtors Ltd. (GSRL or the “Company”):-

Facility	Previous Limits	Limits O/S	Tenure	Previous Rating Dec – 2014	Rating Assigned
Fund Based					
Cash Credit	5.71	9.50	Long Term	BWR B Pronounced BWR Single B Outlook: Stable	BWR B + Pronounced BWR Single B Plus Outlook: Stable
Total	5.71	9.50	INR Nine Crores and Fifty Lakhs Only		

BWR has essentially relied upon audited financial results of Gold Star Realtors Ltd. upto FY15 , provisional for FY16 and projected FY17, publicly available information and information provided by the management.

The rating has, inter alia, factored in the experienced management, successful completion of Phase-I of the project with complete repayment of term loan sanctioned for the same. The rating is, however, constrained by difficult market conditions, uncertainties related to the project as project is in nascent stage.

Background:

Gold Star Realtor is a closely held Limited Company incorporated on June 19,2007 with Commencement of business dated April 16, 2010 to carry on the business in the Real Estate Sector which includes development of the Residential Complexes, Commercial and Construction activity. The company is based out in Lucknow.

The Company was initially incorporated by Mr Naresh Kumar Kaushal, Mr Kapil Kaushal and Mrs Saroj kumar parida and later all the promoters resigned on 15.04.2010 with new promoters taking charge of the Company. The present promoters of the Company are (a) Mr Praveen Bhatia (b) Mr Amit Kumar (c) Mr Raj Kumar Ramrakhiani ,and (d) Mr Sanjiv Sareen

Financial Performance:

As per the audited financials for FY15, GSRL's gross sales from operations stood at Rs. 20.92 Crs. in FY15. Profit after tax for the company stood at Rs. 0.10 Crores in FY15. Tangible networth for the company stood at Rs 5.78 Crores as on 31st March 2015 and leverage(TOL/TNW) for the company stood at 3.15 times as on 31st March 2015.

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

Operating profit margin & net profit margin for the company stood at 1.08% & 0.50% respectively in FY15. Current ratio for the company stood at 1.48 times.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward project completion with in time lines, generating sales and ensure timely servicing of debt would be the key rating sensitivities.

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