Rating Rationale

Sai Sumukha Properties Pvt Ltd

7th Feb 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Sai Sumukha Properties Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Cash Credit	12.50	Long Term	**BWR BB** (Pronounced as BWR Double B) **Outlook: Stable**
Total	**Rs.12.50 Crores (Rupees Twelve Crores and Fifty Lakhs Only.)**		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the company up to FY16, Projections up to FY18 and publicly available information and information /clarifications provided by the management. The rating has factored, inter alia, the experience of the promoters in the real estate segment in Bangalore, location advantage and status of current ongoing projects. However, the ratings are constrained by the Company's moderate scale and working capital intensive nature of operations, low net worth, inherent regulatory risk and competition in real estate industry. Going forward, the ability to achieve the targeted sales and collection efficiency to ensure adequate liquidity, sell the unsold units and improve the net worth would be key rating sensitivities.

Rating Outlook: Stable

BWR believes the Sai Sumukha Properties Pvt 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 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

Sai Sumukha Properties Pvt Ltd was incorporated on 26th August 2008 at Bangalore. The company is engaged in development of residential projects in Bangalore. Mr. C. Rajani Kumar and Mrs. C. Triveni are the directors of the company. Mr. C. Rajani Kumar is the managing director with more than 18 years experience in the real estate business.

Company Financial Performance

As per audited financial statement of FY16, the company has reported net sales of Rs. 19.17 crs and net profit of Rs. 3.12 crs against net sales of Rs.6.00 crs and net sales of Rs. 0.65 crs in FY15 .

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	12.50	BWR BB Outlook : Stable (Pronounced as BWR Double B)	-	-	-

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to Applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Services Sector**
- **Short Term Debt**

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
Vipula Sharma DGM-Ratings analyst@brickworkratings.com	media@brickworkratings.com **Relationship Contact** bd@brickworkratings.com
Phone: 1-860-425-2742	

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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.

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