



Rating Rationale

Sivanta Infratech

8th January, 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Rs. 20.00 Crs of M/s Sivanta Infratech ('SI' or the 'Firm')

Particulars

Bank Facilities	Type of Facility	Tenure	Limits (₹ Crs)^	Rating^
TL	Fund Based	Long Term	20.00	BWR B+ (Pronounced as BWR Single B Plus) (Outlook: Stable) Assigns
Rated Amount			20.00	Twenty Crores only

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

Rating Assigned: BWR B+ for Long Term.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of the Company up-to FY16, provisional financials of the company, projections up-to FY20 and publicly available information and information/clarifications provided by the management.

The Ratings continue to factor in extensive experience of the promoters, positive feedbacks from bankers. The ratings are however constrained by the capital intensive nature of business, project execution risk, geographical concentration risk, intense competition in the real estate industry. Going forward, the Company's ability to scaling up operations while improving profit margin, completion of the project as per the agreement would remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes the Sivanta Infratech 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 margins show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and margins show lower than expected figures.

Key Rating drivers

Credit strengths

- **Experience of promoters:** The promoters of the Firm have long experience in the Real Estate Industry. Mr. Sashi Bhusan Rai is also directors of Parashakti Developers Pvt Ltd and have more than 15 years of experience in the same line of business.
- **Positive Feedback from the Bankers:** The feedback from the bankers is very positive in regards to the conduct of the account.

Credit Weaknesses

- **Geographical Concentration Risk:** The Firm is operating only in Uttar Pradesh.
- **Capital Intensive and Lack of Infrastructure in the State:** The real estate industry is very capital intensive and there is lack of infrastructure in Uttar Pradesh.
- **Project Execution Risk:** The Firm also faces project execution risks in terms of time and cost over-run.
- **Fragmented Industry:** The Real Estate industry is highly fragmented resulting in stiff competition from other key players in the vicinity and profitability is vulnerable to completion of the project.

About the Company

M/s Sivanta Infratech is a Partnership Firm established in the year 2015. The registered office of the Firm is situated at Lahargird Road, Block Babina, Shivpuri Road, Jhansi, Uttar Pradesh. The site location of the projection situated at behind Hazi Petrol Pump, Lahargird Road, Block Babina, Shivpuri Road, Jhansi, Uttar Pradesh. The Firm is engaged into business of setting up residential flats and shopping Complex. The current partners of the Firm are Mr. Vikram Singh, Mr. Dhananjay Singh and Mr. Shashi Bhusan Rai. All the three partners are commerce graduate and have more than 8 years of experience in the same line of business. The Firm proposed to set up an residential cum commercial project of 12 storied building near Jai Academy School, Jhansi, Uttar



Pradesh. The project comprises of 3BHK flat (1300 Sq Ft), 3BHK Flat (1600 Sq Ft), 4BHK Flat(1800 SQ Ft) and 5BHK Flat (2100 Sq Ft). Average cost of 1 flat is Rs. 46 lacs.

Financial Performance

The Company is going to be operative from FY20 only. Hence the actual financial performance is not available for comment.

Rating History for the last three years:

Sl No	Instrument/ Facility	Current Rating (September, 2017)			Rating History		
		Type	Amount (Rs. Crore)	Rating	2016	2015	2014
1.	Term Loan	Long Term	20.00	BWR B+ (Outlook: Stable) Assigns	NA	NA	NA
Total			Rs. 20.00 Crore (Twenty Crore Only)				

Status of non-cooperation with previous CRA: Not Available

Any other information: Not Applicable

Hyperlink/Reference to applicable Criteria:

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



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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.



M/s Sivanata Infratech
Bank Facilities
Annexure I

Nature of all facilities			(Rs in Crore)
Bank Name	Facilities	Existing Limits	Amount to be Rated
Punjab National Bank	TL	20.00	20.00
	Total (Twenty Crore)		20.00

Annexure II
Key Financial Indicators

	FY16	FY17
Net Sales/ Revenues (Rs. Cr)	-	-
EBIDTA (Rs. Cr)	-	-
PAT (Rs. Cr)	-	-
Tangible Networth (Rs. Cr)	-	-
Total Debt : TNW (Times)	-	-
Current Ratio (Times)	-	-

The Company is going to be operative from FY20 only. Hence the actual financial performance is not available for comment.