

## Rating Rationale

### Brickwork Ratings has assigned 'BWR BB+' rating for Bank Loan Facilities aggregating ₹ 50 Cr of Sumeet Infracon Pvt. Ltd.

Brickwork Ratings has assigned the following **Rating<sup>1</sup>** for Bank Credit facilities sanctioned/availed amounting to Rs.50 Cr by Sumeet Infracon Pvt. Ltd. (*SIPL or the 'Company'*) :-

Facility	Limits (₹ Cr)	Tenure	Rating
<b>Fund Based</b>		<b>Long Term</b>	<b>BWR BB+</b> (Pronounced BWR double B plus)  <b>Outlook-Stable</b>
Cash Credit	<b>50.00</b>		
<b>Total</b>	<b>50.00</b>	<b>(INR Fifty Crore only)</b>	

BWR has essentially relied on audited financials of SIPL up to FY14, provisional financials for FY15, projected financials for FY16 and FY17, publicly available information and information/clarifications provided by the company.

The rating reflects renowned promoter group in the region of Chhattisgarh with sound financial standing of the company. The rating also takes into account the fact that out of the estimated sales value of the project of Rs.218.30 Cr, Rs.45 Cr has already been received till date on advance bookings.

However, the rating is constrained by inexperience of the promoters in the real estate business as well as delay in implementation of the project as certified by the engineer. It is also supplemented by execution risk associated with the delay in completion of the project.

#### Background:

Sumeet Infracon Pvt. Ltd., incorporated in July 2011 is a real estate developer in Raipur. It is constructing its first real estate project named "City of Dreams" which is the residential project involving construction of Villas and Flats on the total land area of 9.262 Hect. Or 10,08,632 sq.ft. in Village Kachana. The project is 80% complete at present and is expected to be completed in next 6-7 months.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Management Profile:

Main promoters of the company are Mr. Nameet Kankaria and Mr. Ankit Kankaria.

Sumeet is very much renowned business house in Raipur. It is basically in the business of textile trading through the company -Sumeet Synfab India Pvt. Ltd. and Jewelry trading through the company - Sumeet Gems and Jewellery Pvt. Ltd.

### Financial Performance:

As per audited financials for FY14, the company has received Rs. 20 Cr as advances from customers and generated a PAT of 1.21 Cr. Debt Equity ratio of the company stood at 1.72x with the tangible net worth of Rs.13.82 Cr on 31<sup>st</sup> March, 2014. As per the provisional financials for FY15 provided by the company, advances received from the customers stood at Rs. 39 Cr with PAT at Rs.2.21 Cr as on March 31, 2015.

### Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, ability of the company to ensure sale of units as planned and ensure timely completion of the project within the envisaged cost will remain key rating sensitivities.

<b>Analyst Contact</b>	<b>Relationship Contact</b>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone</b>	<b>Media Contact</b>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**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.