



## RATING RATIONALE

27 March 2020

### Ashish Land & Property Developers Private Limited

**Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹ 35.77 Crores of Ashish Land & Property Developers Limited (ADPL or the “Company”), and assigns ratings on a standalone basis.**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March, 2019)	Present^
<b>Fund based</b>	<b>39.33</b>	<b>35.77</b>	<b>Long Term</b>	<b>BWR BBB (SO) /Stable</b> (Pronounced as BWR triple B) [Structured Obligation]	<b>BWR BB/Stable</b> (Pronounced as BWR double B) [Reassigned on standalone level]
<b>Total</b>	<b>39.33</b>	<b>35.77</b>	<b>INR Thirty Five crores and Seventy Seven lakhs Only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate, based on best available information.

^Rating was moved to Not Reviewed Advisory on 16th March, 2020.

Details of Bank facilities is provided in Annexure-I



**RATING : Revised and reassigned on standalone level, since credit enhancement is not applicable in this case as per extant instructions of SEBI.**

#### **RATING ACTION/OUTLOOK:**

BWR took up with the issuer to provide required information over emails and through telephonic communication. However due to the non availability of the required information, the rating was migrated to the “Rating not reviewed” category on 16th March 2019.

Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer’s financial performance and its ability to service its debt and maintain a valid rating.

Although the Company has not submitted the requested documents yet, the management has informed us that ADPL is under the process of refinancing its existing loan from RBL with another lender, which may be completed by the end of March 2020.

Further, the previous rating suffix of “SO” represented the credit enhancement derived from escrow mechanism for cash flows from the hotel and maintenance of Debt Service Reserve Account (DSRA) equivalent to four months interest.

However based on the revised instructions received in September 2019, this rating is not eligible for credit enhancement based on escrow and DSRA accounts. Also, in the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer’s/Company’s financial performance and its ability to service its debt. Hence, currently we are assigning a standalone rating subject to review once the documents are received or any other developments. In case the Company does not provide the information about the development latest by end of first week of April, 2020, the rating may be classified under ‘Issuer Not Cooperating’ category.

#### **LIMITATIONS OF THE RATING**

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

#### **COMPANY PROFILE (Information available as of 13 March 2019)**

Ashish Land & Property Developers Private Limited, is a real estate company having constructed a school building in Beverly Park, Mira Road and leased it out to its group affiliate Babubhai Kanakia Foundation & RBK Education Solutions Private Limited, for the purpose of running of the RBK School under the leave and license agreement.

The Company is part of the Kanakia group which was established in the year 1986. The group is promoted by Mr. Rashesh Kanakia (Chairman) and Mr. Himanshu Kanakia (Managing Director). Kanakia Spaces Realty Private Limited is the flagship company of the group and has delivered over 13 million sq. ft. of commercial, residential, entertainment, and education spaces till date. The group also has presence in other verticals such as education and hospitality.



**Key financials Indicators**

Key Parameters	Units	FY2018	FY2017
Result Type		Audited	Audited
Operating Revenue	Rs. Crs	6.77	6.15
EBITDA	Rs. Crs	4.58	4.83
PAT	Rs. Crs	1.98	4.41
Tangible Net worth	Rs. Crs	15.85	13.87
Total Debt/Tangible Net worth	Times	2.66	3.25

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :** Not Applicable

**ANY OTHER INFORMATION:** Not Applicable

## RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	13 March 2019	14 February 2018	2017
Fund Based	Long Term	35.77	BWR BB/ Stable (Pronounced as BWR Double B) [Reassigned on Standalone level]	BWR BBB/ Stable (SO) (Pronounced as BWR Triple B) [Structured Obligation] [Reaffirmed]	BWR BBB/ Stable (SO) (Pronounced as BWR Triple B) [Structured Obligation] [Reaffirmed]	-
<b>Total</b>		<b>35.77</b>	<b>INR Thirty Five crores and Seventy Seven lakhs Only</b>			

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What constitutes Non-Cooperation](#)
- [Rating Criteria for Service Sector](#)



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**ANNEXURE I**

Ashish Land & Property Developers Private Limited

**Details of Bank Facilities rated by BWR**

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	RBL Bank	Term Loan	35.77	-	35.77
<b>TOTAL</b>					<b>35.77</b>

**Total Rupees Thirty five Crores and Seventy Seven lakhs only.**

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