

Rating Report

Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating to Rs. 14.27 Crores of Amit Realty Private Limited (ARPL) .

Brickwork Ratings has assigned the following **Ratings**¹ for the Bank Loan facilities availed by Amit Realty Private Limited ('ARPL or the Company') from State Bank of India.

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based Lease rental Discounting	14.27	Long Term	BWR BBB- (SO) (Pronounced as Triple B Minus Structured Obligation) (Outlook: Stable)
Total	14.27	INR Fourteen Crores Twenty Seven Lakhs only.	

BWR has essentially relied upon the audited financials of FY13, FY14 and FY15, Projections upto FY19, publicly available information and information/clarification provided by the anagement. The above rating has been assigned to the Lease Rental Discounting (LRD) loan of Amit Realty Private Limited which is backed by the lease rentals of its 5 anchor stores, namely Big Bazaar, Max Lifestyle, PVR Cinemas, Reliance Digital and Reliance Trends.

The rating, inter alia, has factored the business experience and knowledge of the Promoters in the Real Estate Industry, LRD facility backed by the lease rentals by its anchor stores, vailability of escrow mechanism, advantage with regard to the location of the mall, strong debt protection metrics, satisfactory gearing level and moderate tangible networth of the Company. However the rating is constrained by the limited track record of the Company and relatively low scale of operations.

Background:

Amit Realty Private Limited (ARPL) was incorporated in 2007. The registered head office of the Company is located in Kolkata, West Bengal. ARPL has constructed a mall in Bokaro Steel City, Jharkhand. It is the only mall in the city. The total cost of the project was ~65Cr. The mall is constructed on a land area of ~2 acres, on lease from Steel Authority of India Limited(SAIL) for 99 years and has all the usual facilities. A 70-room hotel is also under construction in the same premises. . The anchor stores of the mall are Big Bazaar, PVR Cinemas, Max Lifestyle, Reliance Digital and Reliance Trends.

Management:

The directors of the Company are Mr. Amit Tekriwal, Mr. Dharmendra Jain and Mr. Madan Lal Jain. Mr. Amit Tekriwal, age 40 years, has more than 15 years of experience in the real estate business.

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

He is also the director of Amit Realtors Private Limited and Amit International Realty Private Limited. Mr. Dharmendra Jain is a B.Com graduate by qualification. He has more than 24 years of business experience. Some other Companies that Mr. Jain is a Director of are Anekant Steel India Private Limited and Anekant Infracon Private Limited. Mr. Madan Lal Mohan, age 50 years, is also a B.Com graduate by qualification. He is also the Director of Mangal Metals Private Limited.

Financial Performance:

The Total Operating Income of ARPL was 16.76 Crs in FY15, including sale of constructed areas and rent receipts, registering net profit of 0.54Crs. The Tangible Networth of the Company stood at 14.74Crs in FY15. The debt-equity ratio was 1.09 times.

(Financial Particulars are in the Annexures I, II and III)

Key Rating Determinants:

- Bokaro is home to some of India's biggest Steel and power companies like SAIL, Coal India, DVC amongst others. This mall brings all modes of entertainment for the people of Bokaro under one roof. Hence the footfall is expected to be high.
- Lease Rental Discounting loan against the lease rental receipts of the anchor stores namely Big Bazaar, Max Lifestyle, PVR Cinemas, Reliance Digital and Reliance Trends, backed by escrow mechanism is a positive.
- Satisfactory gearing with comfortable profit margin levels and moderate tangible networth of the Company.
- The ability to repay the loan before the stipulated time period.
- Relatively small scale of operations. The Bokaro Mall is the only source of revenue for the Company.
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Rating Outlook:

The Rating outlook is expected to be stable in near term. Going forward, the ability of the management to service the debt in a timely manner and improve the profit margins by operating at projected levels, thereby further improving the networth of the company will be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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Amit Realty Private Limited
Annexure I : Profit And Loss Account

Crores	FY14	FY15
Result Type	Audited	Audited
Net Sales	0.00	15.23
Other Operating Income	0.00	1.53
Total Operating Income	0.00	16.76
Change In Inventory (Increase)/Decrease	-10.82	-1.45
Power and Fuel Expenses	0.00	0.13
Employee Cost	0.00	0.31
Manufacturing Expenses	10.82	14.21
Cost of Goods Sold	0.00	13.20
Selling, General and other Administrative expenses	0.00	0.81
Operating Expenses	0.00	14.01
OPBDIT	0.00	2.75
Depreciation/Amortization/Impairment	0.00	1.12
OPBIT	0.00	1.63
Interest and Finance Charges	0.00	0.85
OPBT	0.00	0.78
Non Operating Income(Expenses)	0.01	0.03
PBT	0.01	0.81
Provision for Taxes	0.00	0.27
PAT	0.01	0.54

Amit Realty Private Limited
Annexure II : Balance Sheet

Crores	FY14	FY15
Liabilities	Audited	Audited
EQUITY AND RESERVES	14.12	14.74
Share capital	2.68	2.70
Reserves and Surplus	11.44	12.05
Non-current liabilities	0.00	0.10
Long-Term Borrowings	0.00	0.03
Deferred tax Liabilities (Net)	0.00	0.07
Other Long Term liabilities	0.00	0.00
Current liabilities	22.18	23.95
Short-Term Borrowings	9.87	15.99
Current Portion Of Long Term Debt	0.00	0.04
Trade Payables	1.35	1.46
Other Current Liabilities	10.96	6.14
Short-Term Provisions	0.00	0.33
Total Liabilities	36.31	38.80
ASSETS		
Non-current assets	9.13	29.57
Net Fixed assets	0.37	24.78
Capital Work-In-Progress	8.75	4.73
Net Intangible assets	0.00	0.00
Other Non Current Assets	0.01	0.05
Miscellaneous Expenditure To the Extent Not Written	0.00	0.00
Current assets	27.17	9.23
Inventories	26.26	6.43
Trade Receivables < Six Months	0.00	0.82
Cash and Cash Equivalents	0.08	0.04
Short-Term Loans and Advances	0.83	0.91
Other Current Assets	0.00	1.04
Total Assets	36.31	38.80

Amit Realty Private Limited
Annexure III : Financial Ratios*

Particulars	FY14	FY15
	Audited	Audited
Total Debt	9.87	16.06
Tangible Net Worth	14.12	14.74
Capital Employed	23.99	30.87
Total Debt/TNW	0.70	1.09
Long Term Debt/TNW	0.00	0.00
TOL/TNW	1.57	1.63
ISCR	NA	3.25
ISCR(Analyzed)	NA	3.25
DSCR	NA	2.97
DSCR(Analyzed)	NA	2.97
Net Cash Accruals/Total Debt	0.00	0.11
Net Cash Accruals/Long Term Debt	NA	49.76
Net Profit Margin	NA	3.23
Operating Profit Margin	NA	16.42
ROCE	0	5.93
Current Ratio	1.22	0.39
Days Receivables	NA	10
Days Inventory	NA	452

* As Per BWR Calculations