

## Rating Report

### Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating Rs. 102.14 Cr of Assotech Realty Private Limited

Brickwork Ratings has assigned the following Ratings<sup>1</sup> for the Bank Loan Facilities of Assotech Realty Private Limited (ARPL or the 'Company') as under:

Facility	Present Limits (₹ Cr)	Tenure	Present Rating
<b>Fund Based</b>			
<b>SIDBI-Term Loan</b>	<b>24.31</b>	<b>Long Term</b>	<b>BWR BBB- (BWR Triple B minus) (Outlook:Stable)</b>
<b>IFCI-Term Loan</b>	<b>65.00</b>		
<b>IFCI Ventures- Term Loan</b>	<b>12.83</b>		
<b>Total</b>	<b>₹ 102.14</b>	<b>(INR Hundred Two Crores Fourteen Lakhs Only)</b>	

BWR has essentially relied upon the audited financials upto FY 15, publicly available information and information/clarifications provided by the Company.

The company is presently executing a project named Assotech Business Cresterra at Sector 135, Noida. The rating of the long-term bank facilities of Assotech Realty Private Limited (ARPL) derives strength from the experience of the promoters and management team with their established track record, project progress including major approvals in-place and considerable sales progress. The rating is, however, constrained by residual project execution risks, high dependence on customer advances for project funding and inherent risks associated with the real estate industry. BWR also notes that entire Phase 1 of the project is expected to be completed by September 2016 and Phase 2 of project is expected to be completed by March 2019. Cost incurred in construction of both the phases is around 48% and booking status was around 55 % as at the end of Dec 2015, as advised by the company.

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

### Background:

ARPL is a Delhi NCR-based real estate developer. The company was incorporated as Sampada Realty Pvt. Ltd. in December 2002 and was later rechristened as ARPL in December 2003. The company has already executed and delivered more than 5 million sq.ft. of residential, commercial and serviced residences. Completed projects include Windsor Park Indirapuram, Cabana Serviced Residences Indirapuram, Springfields Greater Noida, (Uttar Pradesh).

### Management:

The Company is promoted by Mr. Neeraj Gulati and Mr. Umesh Nagpal. Both have combined shareholding of 27.49 % in the company.

### Financial Performance:

The company reported Total operating income (on percentage completion basis) of ₹ 66.50 crores in FY15 and PAT of ₹ 4.44 crores in FY15. Net worth of the company increased from ₹46.01 Cr in FY14 to ₹50.37 Cr in FY15.

### Rating Outlook

The outlook is expected to be stable over the next twelve months. The Company's ability to adopt appropriate strategies for timely completion of its project including controlling costs, maintaining competitive pricing and margins, timely execution and saleability of the project along with the timely recovery of receipt/advances from the customers remain the key rating sensitivities.

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<b>Profit and Loss Account-Crores</b>	<b>31-Mar-2013</b>	<b>31-Mar-2014</b>	<b>31-Mar-2015</b>
<b>Result Type</b>	Audited	Audited	Audited
Gross Sales	76.63	136.74	66.50
<b>Net Sales</b>	<b>76.63</b>	<b>136.74</b>	<b>66.50</b>
<b>Total Operating Income</b>	<b>76.63</b>	<b>136.74</b>	<b>66.50</b>
<b>Cost of Goods Sold</b>	<b>2.80</b>	<b>111.87</b>	<b>31.70</b>
<b>Operating Expenses</b>	<b>75.87</b>	<b>125.19</b>	<b>59.53</b>
<b>OPBDIT</b>	<b>0.76</b>	<b>11.55</b>	<b>6.97</b>
Depreciation/Amortization/Impairment	0.33	0.27	0.56
<b>OPBIT</b>	<b>0.43</b>	<b>11.28</b>	<b>6.42</b>
Interest and Finance Charges	0.03	0.35	0.39
<b>OPBT</b>	<b>0.40</b>	<b>10.94</b>	<b>6.02</b>
Non Operating Income(Expenses)	0.28	0.51	1.08
<b>PBT</b>	<b>0.67</b>	<b>11.45</b>	<b>7.10</b>
Provision for Taxes	0.27	3.97	2.66
<b>PAT</b>	<b>0.40</b>	<b>7.48</b>	<b>4.44</b>

<b>Balance Sheet- Crores</b>	<b>31-Mar-2013</b>	<b>31-Mar-2014</b>	<b>31-Mar-2015</b>
<b>Liabilities</b>			
<b>EQUITY AND RESERVES</b>	<b>30.03</b>	<b>46.01</b>	<b>50.37</b>
Share capital	10.00	11.21	11.21
Reserves and Surplus	20.03	34.79	39.15
<b>Non-current liabilities</b>	<b>33.51</b>	<b>10.71</b>	<b>39.27</b>
Long-Term Borrowings	0.04	1.64	33.98
Deferred tax Liabilities (Net)	27.97	3.53	0.00
Other Long Term liabilities	5.42	5.26	5.01
Long-Term Provisions	0.07	0.28	0.29
<b>Current liabilities</b>	<b>133.50</b>	<b>138.67</b>	<b>149.82</b>
Short-Term Borrowings	0.00	14.42	0.00
Current Portion Of Long Term Debt	7.11	7.22	17.70
Trade Payables	15.26	5.88	5.61
Other Current Liabilities	110.92	107.17	124.06
Short-Term Provisions	0.21	3.97	2.46
<b>Total Liabilities</b>	<b>197.04</b>	<b>195.39</b>	<b>239.46</b>