

Press Release

Gaursons Promoters Private Limited

February 16, 2023

Rating Withdrawn



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	350.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	350.00	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs.350.00 Cr. bank facilities of Gaursons Promoters Private Limited. The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

About the Company

Gaursons Promoters Private Limited (GPPL) is incorporated in 2006. It is a Ghaziabad based company engaged in construction of residential/commercial projects in NCR region. Directors of the company are Mr. B. L. Gaur, Mr. Manoj Gaur, and Mr. Sarthak Gaur, all of whom have extensive commercial experience.

Analytical Approach

Acuite has taken a standalone analytical approach of GPPL.

Key Rating Drivers

Strengths

> Experienced management and established track record of operations

GPPL benefits from its experienced management and established brand name of the group. The Gaursons group has an established presence in the NCR real estate sector, with several projects completed in the past. The promoter of the group has more than 25 years of experience in the real estate business.

> Healthy Sales traction in ongoing project

The Company is current developing a residential real estate project which includes a total of 4,918 units (including both residential and commercial units) of which the company has already sold 4,886 units till December 2022 i.e. totaling 48.53 lac sq ft, which amounts to 99% of the total area available for sale. The project values a total of Rs.1887.89 Cr with a total area available for sale of 48.83 lac sq ft.

Weaknesses

> Competitive industry

Intense competition and ongoing projects of established players like DLF, Unitech, MGF, EMAAR, Chintels, Ansal, Orris Infrastructure, Antriksh, Assotech Ltd and Raheja Developers, create pricing pressure.

Rating Sensitivities

Not Applicable

Material covenants

None

Liquidity Position

Adequate

The liquidity profile of the company is adequate on account of adequate cushion between repayments and cash inflows. The company expects cash inflow of Rs. 80.50 crore from the project against which its debt obligation stands at Rs44.31 crore.

Outlook:

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	195.22	190.37
PAT	Rs. Cr.	11.31	12.06
PAT Margin	(%)	5.79	6.34
Total Debt/Tangible Net Worth	Times	0.57	0.32
PBDIT/Interest	Times	8.71	8.54

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 May 2022	Term Loan	Long Term	350.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
22 Feb 2021	Term Loan	Long Term	350.00	ACUITE BB- (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	100.00	Not Applicable Withdrawn
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	150.00	Not Applicable Withdrawn
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	100.00	Not Applicable Withdrawn

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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