



SMERA RATINGS LIMITED

## Anjani Infra (AI)

*Rating  
Rationale*

**December 26, 2014**

Facility	Amount (Rs. Crore)	Rating
Term Loan	15.00	SMERA B+/Stable (Assigned)

SMERA has assigned a rating of **'SMERA B+' (read as SMERA B plus)** to abovementioned bank facility of Anjani Infra (AI). The outlook is **'Stable'**. AI is a part of the Anjani Group. The rating derives comfort from the firm's experienced management. The rating also draws comfort from the strong project execution capability demonstrated by the group. However, the rating is constrained by the firm's short track record of operations in an intensely competitive segment of the real estate industry. The rating notes that the firm is exposed to project execution risk arising from undertaking multiple projects simultaneously. The rating is also constrained by the firm's exposure to geographic concentration risk.

AI, established in 2012, is a Surat-based partnership firm engaged in real estate development. AI benefits from its experienced management. The partners of the firm have around ten years of experience in the real estate sector. AI is a part of the Anjani Group which has an established presence in Surat's real estate market. The group has successfully completed development of ~4.67 lakh sq. ft.

AI operates in an intensely competitive segment of the real estate industry. The firm's projects are concentrated in the Surat region. AI is currently undertaking nine projects simultaneously. Revenues from the ongoing projects are likely to be booked in FY2016-17 (refers to financial year, April 01 to March 31). Any significant delay in completion of the projects will have an adverse impact on the debt servicing ability of the firm.

### **Outlook: Stable**

SMERA believes AI will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the firm registers higher-than-expected cash flows from customer advances. The outlook may be revised to 'Negative' in case of deterioration in the firm's financial profile on account of delays in project execution, or in case the firm registers lower-than-expected cash flows from customer advances.

### **About the firm**

AI, established on August 22, 2012, is a Surat-based partnership firm promoted by Mr. Lavjibhai Dungarbhay Daliya, Mr. Vijaybhai Nanjibhai Golavia, Mr. Hareshbhai Damjibhai Parvadia, Mr. Jayantibhai Virjibhai Babaria, Mr. Mukeshbhai Dungarbhay Daliya and Mr. Virjibhai Devragbhai Babaria. AI undertakes real estate development.

The firm is currently undertaking nine projects viz. Akruti, Anmol Heights, Escon, Shangrila Heights, Marvel, Turning Point, Vastushilp, Abhinandan and Pujan Residency. The total cost of the aforementioned projects is ~Rs.170 crore. AI's net worth stood at Rs.27.60 crore as on March 31, 2014, as compared with Rs.24.22 crore a year earlier.

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## Rating Rationale

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