

January 21, 2016

Facility	Amount (Rs. Crore)	Rating
Term Loan	15.00	SMERA BB-/Stable (Upgraded from SMERA B+/Stable)

SMERA has upgraded the rating of the above mentioned Rs.15.00 crore long-term bank facility of Anjani Infra (AI) to '**SMERA BB-**' (read as **SMERA double B minus**) from 'SMERA B+' (read as SMERA B plus) The outlook is '**Stable**'. The rating draws support from the experienced management, completion of the project before the scheduled date and increasing customer interest. The rating also derives comfort from the healthy customer advances and increase in the booking percentage of constructed units. However, the rating is constrained by intense competition in the real estate sector and geographic concentration risk. The rating is further constrained by the small ticket size of the project and partnership constitution of the firm.

Update

The rating is mainly based on the cash flows from the Shangrila Heights' project that has been completed. Also, the project has already received Building Utility Certificate (BUC) for three buildings while the remaining three are pending.

The firm has received bookings for 65 per cent of the residential and 92 per cent commercial units. Further, AI received around Rs.22.11 crore as customer advances and the firm has prepaid more than 50 per cent of its long term debt liability even though the principle repayment starts from March 2016.

Rating Sensitivity Factors

- Timely repayment of debt
- Increase in booking amount

Outlook: Stable

SMERA believes that the firm will be able to maintain its stable profile in the medium term. The outlook may be revised to 'Positive' in case of higher than expected customer advances. Conversely, the outlook may be revised to 'Negative' in case of inordinate project delays or lower than expected customer advances.

About the Firm

The Surat-based Anjani Infra is a partnership firm established in August 2012 by Mr. Lavjibhai Daliya, Mr. Vijaybhai Golavia, Mr. Hareshbhai Parvadia and others to construct residential apartments.

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