

June 04, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan - I	44.10	SMERA B/Stable (Assigned)
Term Loan - II	12.60	SMERA B/Stable (Assigned)
Term Loan - III	6.30	SMERA B/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B** (read as SMERA single B)' to the Rs.63.00 crore bank facilities of Ahinsa Infrastructure and Developers Limited (AIDL). The outlook is '**Stable**'. The rating is constrained on account of project execution risk associated with the company's on-going projects – Navkar Green (NKG), Navkar Royal (NKR) and Navkar Square (NKS). The rating is also constrained by the AIDL's limited track record in the real estate sector and significant delay in NKG project. The rating is further constrained on account of low bookings in NKR project, nascent stage of NKS project and low customer advances. Moreover AIDL's high geographical concentration owing to concentration of projects in Bhilwara region. However, the rating draws comfort from the company's healthy bookings in NKG project.

Rating sensitivity factors

- Successful completion of its on-going projects without further time and cost overrun
- Timely receipt of customer advances against bookings
- Saleability of an unsold units in all the projects

Outlook: Stable

SMERA believes AIDL will maintain a stable business risk profile in the medium term. The company will be benefited from its healthy bookings in NKG project. The outlook may be revised to 'Positive' in case the company generates steady cash flows through timely receipt of customer advances from NKG and NKR project. Conversely, the outlook may be revised to 'Negative' in case the company faces liquidity pressure on account of delays in project execution and receipt of customer advances.

About the Projects

Navkar Green (NKG)

NKG was launched in 2010; AIDL had envisaged constructing 8 storey residential buildings consisting of 224 flats, however, subsequently, the company had increased the scope of the work and envisaged to construct one additional floor with total 252 flats (108 flats - two BHK, 136 flats - three BHK and 08 flats - four BHK). Due to change in scope of the work, the company had revised the cost upwards and revised the schedule of work completion from August 2012 to October 2013 (the work schedule is further revised to October 2015).

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The total saleable area of the project would be 4 lakh square feet (lsf). The total cost of the project is estimated to be around Rs.97.39 crore (earlier estimate was Rs.52.00 crore) to be funded through term loan of Rs.44.10 crore, customer advances of Rs.28.93 crore and rest through promoter's contribution. The total expenditure incurred till Jan 31, 2015, was Rs.68 crore.

Navkar Royal (NKR)

AIDL has started construction of this project from February 2012, with the envisaged cost of Rs.16.80 crore. Later the project cost was revised to Rs.27.46 crore to be funded through term loan of Rs.12.60 crore, customer advances of Rs.8.00 crore and rest through promoter's contribution. The total saleable area of the project would be 1.10 lakh square feet (lsf). The total expenditure incurred till Jan 31, 2015, was Rs.14.00 crore.

Navkar Square (NKS)

AIDL has not yet started this project. NKS is a commercial project with total 136 commercial shops. The cost of the project is estimated to be Rs.15.15 crore to be funded through term loan of Rs.6.30 crore, customer advances of Rs.5.06 crore and rest through promoter's contribution.

About the company

AIDL originally incorporated in 2002 with the name as Ahinsa Processors India Limited. Later in 2006, the name of the company was changed into AIDL. AIDL is promoted by the Kothari family and is a part of the BD Ahinsa Group based out of Bhilwara (Rajasthan). AIDL is mainly engaged in the real estate and construction activities. Till date, the company has completed one land development project in Sanand (Gujarat) and has also completed three commercial projects in Bhilwara, Rajasthan. At present, AIDL is developing two residential projects, namely, Navkar Green and Navkar Royal, and one commercial project Navkar Square in Bhilwara.

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