



SMERA RATINGS LIMITED

# Ahinsa Infrastructure and Developers Limited (AIDL)

**Rating  
Rationale****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).

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

# Ahinsa Infrastructure and Developers Limited (AIDL)

## Rating Rationale

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.

### Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Email: <a href="mailto:antony.jose@smera.in">antony.jose@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Vinay Chhawchharia Associate Vice President – Corporate Ratings Tel: +91-22-6714 1156 Email: <a href="mailto:vinay.chhawchharia@smera.in">vinay.chhawchharia@smera.in</a>	Tel: +91-22-6714 1184 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.