

Ahinsa Infrastructure and Developers Limited: Reaffirmed

Name of the Instruments	Amount (Rs Crore)	Rating /Outlook
Term Loan - I	44.10	SMERA B/Stable (Reaffirmed)
Term Loan - II	12.60	SMERA B/Stable (Reaffirmed)
Term Loan - III	6.30	SMERA B/Stable (Reaffirmed)

SMERA has reaffirmed the long term rating of '**SMERA B**' (read as **SMERA B**) on the above mentioned bank facilities of Ahinsa Infrastructure and Developers Limited (AIDL). The outlook is '**Stable**'. The rating continues to be constrained by the low level of customer advances and average bookings for the company's ongoing project. The rating factors in risks related to project saleability amidst slowdown in the real estate sector. However, the rating continues to be supported by the advanced stage of execution of the ongoing projects and the experienced promoters.

Update

For FY2014-15, AIDL reported net profit after tax of Rs.0.20 crore on total income of Rs.3.36 crore as against net profit after tax of Rs.0.48 crore on total income of Rs.4.58 crore a year earlier.

While around 87 per cent construction has been completed on the Navkar Green project, the company has received advances of Rs.32.00 crore, as compared to the total expected realisation of Rs.125.00 crore. With regard to the Navkar Royal project – the company has completed about 56 per cent construction and advances of only Rs.2.50 crore has been realised as compared to the expected Rs.35.00 crore.

Outlook-Stable

SMERA believes AIDL will maintain a stable business risk profile in the medium term owing to its experienced promoters and advance stage of construction of the ongoing projects. The outlook may be revised to 'Positive' if the company generates steady cash flows through timely receipt of customer advances from the abovementioned projects. 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.

Rating Sensitivity Factors

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

About the Company

The erstwhile Ahinsa Processors India Limited was converted to AIDL in 2006. Promoted by the Kothari family, the company, part of the Bhilwara-based BD Ahinsa Group is engaged in real estate and construction activities. So far, the company has completed a land development project in Sanand (Gujarat) apart from three commercial projects in Bhilwara, Rajasthan. Presently, AIDL is engaged in the development of two residential projects - Navkar Green and Navkar Royal at Bhilwara.

About the Projects

Navkar Green (NKG)

Navkar Green project, a nine storey residential building of 252 flats was launched in 2010 to be completed by October 2015. The total project cost was 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 Mar 31, 2016, was Rs.85 crore (i.e. 87% of the total cost).

Navkar Royal (NKR)

Navkar Royal project was launched in February 2012 with a saleable area of 1.10 lakh square feet (lsf). The project cost was 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 expenditure incurred till Mar 31, 2016 has been Rs.15.00 crore (i.e. 56% of the total cost).

Rating History

Date	Name of the Instrument	Amount (Rs. Crore)	Rating Assigned For	Rating/Outlook
			Long Term	
04 June, 2015	Term Loan - I	44.10	SMERA B	Stable
	Term Loan - II	12.60	SMERA B	Stable
	Term Loan - III	6.30	SMERA B	Stable

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ABOUT SMERA

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