

## Press Release

**Realtech Developments And Infrastructure India**

**Private Limited**

19 July, 2017



**Rating Reaffirmed**

<b>Total Instruments Rated*</b>	Rs.7.45 Cr
<b>Long Term Rating</b>	SMERA B+ / Outlook: Stable
<b>Short Term Rating</b>	SMERA A4

# Refer Annexure for details

### Rating Rationale

SMERA has reaffirmed long-term rating of '**SMERA B+** (read as SMERA B plus) and short term rating of '**SMERA A4**' (read as SMERA A four) on the Rs. 7.45 crore bank facilities of Realtech Developments And Infrastructure India Private Limited. The outlook is '**Stable**'.

Realtech Developments and Infrastructure India Private Limited (Realtech Developments), is a Gurgaon-based real estate company promoted by Mr. Atul Yadav and Mr. Hitesh Yadav. The company undertakes development of residential and commercial property.

### Key Rating Drivers

#### Strengths

- **Experienced management**

Realtech Developments was incorporated in 2012. The promoters possess experience of over 20 years in the real estate sector.

#### Weaknesses

- **Small scale of operations**

The scale of operations is small. The company booked revenue of Rs.10.28 crore in FY2016 compared to Rs.8.72 crore in FY2015.

- **Inherent cyclicity in the construction sector**

The real estate industry in India is highly fragmented with most of the real estate developers, having a city-specific or region specific presence. The risks associated with the real estate industry are cyclicity, interest rate risk among others that can affect operations.

- **High project implementation and funding risk**

The current project undertaken by the company 'The Luxurium' is expected to be completed by March 2020. Realtech Developments is heavily dependent on customer advances.

### Analytical Approach

SMERA has considered the standalone business and financial risk profiles of Realtech Developments to arrive at the rating.

### Outlook: Stable

SMERA believes that Realtech Developments will maintain a stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company generates steady cash flows from customer advances. Conversely, the outlook may be revised to 'Negative' in case of stretch in liquidity on account of delays in project execution or collection of booking money.

### About the Rated Entity - Key Financials

For FY2015-16, the company reported profit after tax (PAT) of Rs.0.31 crore on operating income of Rs.10.28 crore, as compared with PAT of Rs.0.20 crore on operating income of Rs.8.72 crore in FY2014-15. The net worth stood at Rs.1.32 crore as on 31 March, 2015 against Rs.(2.62) crore a year earlier.

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

### Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
09-Jan-2016	Overdraft	Long Term	INR 1.5	SMERA B+ / Stable
	Bank Guarantee	Short Term	INR 5.95	SMERA A4

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Overdraft	Not Applicable	Not Applicable	Not Applicable	1.50	SMERA B+ / Stable
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.95	SMERA A4

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**ABOUT SMERA**

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