

## Press Release

### Dreamz Infrastructure (DI)

23 January, 2017

#### Rating Assigned

<b>Total Bank Facilities Rated*</b>	Rs.27.00 Cr
<b>Long Term Rating</b>	SMERA B+/Stable (Assigned)

*\*Refer Annexure for details*

#### Rating Rationale

SMERA has assigned long-term rating of '**SMERA B+**' (read as **SMERA B plus**) on the Rs. 27.00 crore bank facilities of Dreamz Infrastructure (DI). The outlook is '**Stable**'.

DI, established in 2015 is an Amravati-based partnership firm promoted by Mr Bharani, Mr. Harwani and their respective families. The firm undertakes the development of residential and commercial projects.

#### List of key rating drivers and their detailed description

##### Strengths:

**Experienced promoters:** The firm was promoted by the Amravati-based Mr. Bharani, Mr. Harani and their respective families. The promoters have collective experience of over a decade in the real estate industry.

**Advance stage of project completion:** The firm is in the process of developing a commercial project – 'Dreamzland Commercial Park' with a total saleable area of around 5.79 lakh square feet at Amravati, Maharashtra to construct 476 commercial shops at a total project cost of Rs.90.83 crore. The firm has achieved financial closure for the bank loan portion of the project. Further, the firm has incurred around 67 percent (Rs.50.00 crore) of the estimated construction cost of Rs.73.85 crore as on 23 November, 2016 and the project is scheduled to be completed by September, 2017.

**Moderate booking level:** The firm has sold 296 units as on 23 November, 2016 out of the total 476 i.e. around 62 percent booking.

##### Weaknesses:

**High dependence on customer advances:** The firm is highly dependent on customer advances and has received Rs.8.48 crore out of the total of Rs.39.83 crore as on November 23, 2016.

**Intense competition and cyclicity in the real estate industry:** The firm is exposed to the intense competition from several organised and unorganised players in the real estate sector. The firm is also exposed to the inherent cyclicity of the real estate sector.

**Analytical approach:** SMERA has considered the standalone business and financial risk profiles of the DI.

## Applicable Criteria

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

## Outlook: Stable

SMERA believes that the firm will maintain a stable outlook in the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the firm generates steady cash flows as per anticipated customer advances from bookings. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution or in collections from bookings, thereby creating pressure on liquidity.

## About the Rated Entity

Dreamz Infrastructure, established in 2015 is an Amravati-based partnership firm promoted by Mr. Bharani, Mr. Harwani and their respective families. The firm has undertaken construction of 'Dreamzland Commercial Park' a commercial project to construct 476 commercial shops at a total project cost of Rs.90.83 crore.

**Status of non-cooperation with previous CRA (if applicable):** Not applicable

**Any other information:** Not Applicable

## Rating History for the last three years:

Name of Instrument /Facilities	2017			2016		2015		2014	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Term Loan	LT	27.00	SMERA B+/Stable (Assigned)	-	-	-	-	-	-

## \*Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Term Loan	N.A	N.A	31 <sup>st</sup> May, 2019	27.00	SMERA B+/Stable (Assigned)

## Note on complexity levels of the rated instrument:

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

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