



Press Release
Abhishek Propbuild Private Limited
July 23, 2024
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1404.00	ACUITE D Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	1404.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE D' (read as ACUITE D)** to the Rs.1404.00 Cr. bank facilities of Abhishek Propbuild Private Limited(APPL).

Rationale for reaffirmation:

The rating reaffirmation is on account of delays in servicing of term loan and irregular account conduct as per the banker's feedback. Consequently, the account is currently marked as SMA-2 by the lender.

About the Company

Bangalore based, Abhishek Propbuild Private Limited (APPL) was incorporated in 2017, and directed by Mr. Thippareddygar Harikrishna Reddy, and Mr. Mohankumar Singapura Jayanna . The company is engaged in real estate activities. APPL is a subsidiary of Mantri Developers Private Ltd and is part of Mantri Group. APPL operates a commercial complex named as 'Mantri Square mall' located at Malleshwaram, Bangalore. Total area of the building is 8.75 Lakhs Sq.ft and leased out to various tenants.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of Abhishek Propbuild Private Ltd(APPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record in real estate

Abhishek Propbuild Private limited (APPL) is managed by Mr. Thippareddygar Harikrishna and Mr. Gopinath Raj Kumar. APPL is a subsidiary of Mantri Developers Private Ltd and part of Mantri Group, which has an experience of more than two decades in real estate and construction business. Mantri group has long track record in execution of residential and commercial projects in cities like Bengaluru, Hyderabad, Chennai, Pune and Delhi.

Weaknesses

Multiple instances of delays and irregularities in account conduct

There have been continues instances of delays in the servicing of term loan obligations by APPL as confirmed by the banker and as reflected in company's account statements. As per the banker's feedback, APPL's account is currently marked SMA-2.

Rating Sensitivities

- Regular servicing of its debt obligations.

Liquidity Position : Poor

The company's liquidity position is poor marked by delays in debt servicing of its LRD loan. Company had net cash accruals (NCA's) of Rs.28.08 Cr. as on March 31, 2023, which was insufficient to meet the debt repayment obligations of Rs.32.34 Cr. for the same period. Further, the company has defaulted in its repayments during the current fiscal. The latest default is reported in the month of June, 2024. The working capital cycle of APPL is intensive on account of high GCA (Gross Current Asset) days of 2675 in FY2023. Unencumbered cash and bank balances stood at Rs.1.96 Cr. as on March 31, 2023.

Outlook: Not applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	195.99	133.33
PAT	Rs. Cr.	12.18	15.01
PAT Margin	(%)	6.21	11.26
Total Debt/Tangible Net Worth	Times	17.74	20.25
PBDIT/Interest	Times	1.20	1.18

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

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Apr 2023	Lease Rental Discounting	Long Term	1404.00	ACUTE D (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not avl. / Not appl.	Lease Rental Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1404.00	ACUITE D Reaffirmed

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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