

Gokulam Shelters Private Limited: Assigned

| Name of the Instrument | Amount (Rs. Crore) | Rating/Outlook |
|------------------------|--------------------|---------------------------|
| Cash Credit | 14.00 | SMERA B/Stable (Assigned) |

SMERA has assigned long-term rating of '**SMERA B' (read as SMERA B)** to the above mentioned bank facility of Gokulam Shelters Private Limited (GSPL). The outlook is '**Stable**'. The rating derives strength from the experienced management and absence of long term debt. However, the rating is constrained by the weak financial risk profile of the company.

GSPL was incorporated in 2010, by Mr. Madhusudan S, Mr. S Chandrashekar, Mr. Y N Sheshadri and Mr. Amit Chhabra, Directors who possess around two decades of experience in the real estate sector. The company has no long term debt obligation and does not have any debt funded capex plan for the near future.

The company undertakes projects exclusively for ISKCON (Bangalore) across India and books revenues only after completion of the same.

However, the rating is constrained by the weak financial risk profile. GSPL incurred losses during FY2012-13, FY2013-14 and FY2014-15. The company registered profit in FY2015-16 (Provisional). GSPL's gearing (debt-equity) has been high at ~4.95 times and interest coverage ratio (ICR) stood at ~9.00 times for FY2015-16 (Provisional).

Rating Sensitivity Factors

- Timely completion of projects
- Improvement in the financial risk profile

Outlook-Stable

SMERA believes that GSPL will maintain a stable business risk profile in the medium term owing to the experience of the promoters. The outlook may be revised to 'Positive' if the company generates steady cash flows as envisaged. Conversely, the outlook may be revised to 'Negative' in case of delay in project execution resulting in pressure on liquidity.

About the Company

GSPL is a Bangalore-based company incorporated in 2010 by Mr. Madhusudan S, Mr. S Chandrashekar, Mr. Y N Sheshadri and Mr. Amit Chhabra, Directors. The company is a civil contractor for construction of temples, cultural theme parks and other structures exclusively for ISKCON across India. GSPL has successfully completed Sri Radha Krishna Chandra Temple and Cultural Centre at Rajajinagar (Bangalore), Gokulam Complex at Doddakallasandra (Bangalore) and Sri Sudarshana Narasimha Temple at Vasantpura (Bangalore).

Presently, the company is in the process of executing Krishna Lila Park Project at Vrindavan (Mathura, Uttar Pradesh), which is scheduled to be completed by 2019.

For FY2014-15, the company reported profit after tax (PAT) of Rs.(3.30) crore on operating income of Rs.0.37 crore, as compared with net profit of Rs.(1.32) crore on operating income of Rs.0.63 crore in FY2013-14.

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ABOUT SMERA

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