

AUGUST 23, 2016

CARE ASSIGNS "CARE BBB+" RATING TO THE BANK FACILITIES OF DOSTI REALTY LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Proposed Long term Bank Facilities	150	CARE BBB+ (Triple B Plus)	Assigned
Total	150 (Rs. One hundred and fifty crore only)		

Rating Rationale

The rating assigned to the bank facilities of Dosti Realty Limited (DRL) takes into account professional and experienced management, resourceful partners in Joint Venture projects, satisfactory sales status for projects launched.

The rating strengths are tempered by high execution and approvals risk as majority of ongoing projects are in nascent stage of construction, moderate funding risk and revenue visibility in near term, moderate capital structure and geographical concentration of projects.

DRL's ability to achieve pending approvals for majority of the ongoing projects in a timely manner so as to execute and sell the projects as scheduled and to achieve sales at envisaged price points remain key rating sensitivities.

Background

Dosti Realty Limited (DRL) is a Mumbai based real estate Developer and is part of the Dosti Group. The group is involved in development of real estate space in Mumbai and Thane for nearly 4 decades. The company is promoted by Mr. Kishan Goradia (Chairman and founding member) and Mr. Deepak Goradia (Vice Chairman and Managing Director who is also currently Vice President, MCHI). The group has developed around 7.5 million square feet (msf) of Residential, Retail and Commercial properties in and around Mumbai & Thane. The company currently has 3 ongoing projects namely Dosti Ambrosia, Dosti Imperia and Dosti Planet North (excludes Dosti Vihar Project which is nearly complete and has received OC) and 10 planned projects in near future with a total saleable area of ~189 lsf [includes 1.17 msf of area of 6 buildings of Dosti Imperia and Shoppe Imperia for which Occupancy certificate (OC) has been received] spread across Mumbai, Thane and Pune. Out of the 13 ongoing/planned projects, 5 projects are being carried out on partnership basis.

DRL posted total operating revenue and PAT of Rs.397.94 crore and Rs.71.18 crore in FY15 as against total operating revenue and PAT of Rs.260.28 crore and Rs.36.90 crore in FY14.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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