

Ahinsha Builders Private Limited

August 16, 2019

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	37.00	CARE B: ISSUER NOT COOPERATING* [Single B: ISSUER NOT COOPERATING]	Issuer not cooperating; Based on best available information
Total Facilities	37.00 (Rs. Thirty Seven Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated July 18, 2018, placed the ratings of Ahinsha Builders Private Limited under the 'issuer non-cooperating' category as Ahinsha Builders Private Limited had failed to provide information for monitoring of the rating. Ahinsha Builders Private Limited continues to be non-cooperative despite repeated requests for submission of information through phone calls and an email dated August 09, 2019 July 18, 2019, July 19, 2019 In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

At the time of last rating on July 18, 2018 the following were the rating weakness and strengths (Updated for the information available from the Registrar of companies):

Key Rating Weakness

Low collection status of the project

ABPL's low collection status is evidenced from unsold area of around 90 per cent as on January 31, 2016, thus the company remains susceptible to risk related to marketing of project. Marketing of the project within envisaged timelines yet to be seen and shall remain a key rating sensitivity.

Project execution risk and marketability risk

The Company has incurred around 21.23 per cent of the total project cost as on March 2015, significant cost is yet to be incurred. The company remains susceptible to risk related to completion of the project in envisaged timelines. However, management has successfully completed one residential project in past but the ABPL's, ability to complete comparatively big project is yet to be seen.

Cyclical and seasonality associated with real estate industry and exposure to local demand-supply dynamics

The Company is exposed to the cyclical nature associated with real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. In case of real estate companies, the profitability is highly dependent on property markets. This exposes these companies to the vagaries of real estate markets.

Leveraged capital structure

The capital structure of the company marked by overall gearing ratio remained leverage at 2.78x as on March 31, 2018 as against 3.36x as on March 31, 2017, the improvement in capital structure was on account of retention of profit and repayment of debt on March 31st 2018, as compared to previous balance sheet date.

Key Rating Strengths

Experienced promoters and professional consultancy for the ongoing project

ABPL is promoted by Mr. Ghasitumal Jain and Mr. Vipin Jain. Both the promoters have nearly 2 decades of experience in the real estate industry through association with other group companies and they have other business interests as well like

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate: Based on best available information

(manufacturing of wheels of tractors and jeep). Promoters have successfully executed one residential project (Ahinsha Vatika) in this company.

Analytical approach: Standalone

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[CARE's methodology for Infrastructure sector](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Ahinsha Builders Private Limited (ABPL) was incorporated in April 2004. The company is promoted by Mr. Ghasitumal Jain and Mr. Vipin Jain. The company is engaged in the business of real estate development which involves development of residential projects. The company is operating mainly in Delhi NCR. ABPL has executed residential project 'AhinshaVatika' at Shahdara, Ghaziabad. The residential block was constructed with two residential towers with 216 (including 56 flats for economically weaker section; EWS) residential flats in total. The project was commissioned in August 2011 and possession was given from August 2014, onwards. ABPL is setting up a residential project under the name 'AhinshaNaturez Park' at Faridabad, Haryana (near Surajkund). The residential block will be constructed with three residential towers.

Brief Financials (Rs. crore)	FY17(A)	FY18(A)
Total operating income	12.22	18.08
PBILDT	1.78	3.64
PAT	0.43	1.80
Overall gearing (times)	3.68	2.78
Interest coverage (times)	2.23	3.63

Status of non-cooperation with previous CRA – Not Applicable

Any other information – Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	37.00	CARE B; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	37.00	CARE B; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE B; ISSUER NOT COOPERATING* (18-Jul-18)	1)CARE B+; ISSUER NOT COOPERATING* (25-Apr-17)	1)CARE B+ (19-Apr-16)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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