

Bhavani Enterprises_Hubli

April 23, 2020

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	30.00	CARE D; ISSUER NOT COOPERATING* (Single D; Issuer not cooperating)	Issuer not cooperating; Revised from CARE B+; Stable; Issuer Not Cooperating (Single B Plus; Outlook: Stable; Issuer Not Cooperating) on the basis of best available information
Total Facilities	30.00 (Rupees Thirty Crore Only)		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 18, 2019, placed the rating(s) of Bhavani Enterprises (BE) under the 'issuer not cooperating' category as BE had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. BE continues to be non-cooperative despite repeated requests for submission of information through phone calls and e-mails dated April 8, 2020 to April 17, 2020. 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 rating.

Detailed Rationale & Key Rating Drivers

Key Rating Weaknesses

On-going delays in debt servicing obligations

As per banker interaction, there are on-going delays in debt servicing obligations.

Key Rating Strengths

Experience of the promoters in the real estate industry

The Partners of the firm have around more than two decades of experience in real estate industry.

Analytical Approach: Standalone

Applicable Criteria

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

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

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

[Rating Methodology – Real Estate Sector](#)

About the Firm

Bhavani Enterprises_Hubli (BES) was established in August 2012 by Mr. Mahadev Habib and Mr. Aravind Kalburgi with 4 other partners to undertake the construction of commercial project in the name of 'Galaxy Mall'. The project is located in Hubli district of Karnataka.

Brief Financials – Not applicable, project stage entity

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

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

*Issuer Not Cooperating based on best available information

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	-	-	April 2019	30.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information

*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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	30.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (18-Mar-19)	1)CARE B+; Stable (01-Feb-18) 2)CARE B+; Stable (10-Apr-17)

*Issuer not cooperating; based on best available information

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:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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