



Press Release

Perfect Megastructures Private Limited

March 24, 2023

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1	Long Term Bank Facility – Term Loan	35.00 (Reduced from Rs. 90.00 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Reaffirmed	Simple
Total		35.00	Rs. Thirty - Five Crores only			

Details of Facilities are in Annexure 1.

Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has reaffirmed long-term rating of IVR BBB with a Stable outlook for the bank loan facilities of Perfect Megastructures Private Limited (PMPL).

The rating reaffirmation of Perfect Megastructures Private Limited considers the comfort from established track record of ABA group, resourceful promoters, repayment through escrow mechanism, favourable project location and comfortable project cost structure. However, these factors are offset by project implementation risk and exposure to risks relating to cyclicity in real estate industry. The company has recorded significant sales during FY22.

IVR has principally relied on the standalone audited financial results of PMPL up to 31 March 2022, and projected financials for FY23, FY24 and FY25, and publicly available information/clarifications provided by the company's management.

Upward Factors

- Progress made in completion of the projects
- Minimum 75% of Sale of inventory at competitive rates

Downward Factors



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- Delay in completion of project
- Significant cost overruns of the project
- Lower than expected booking status

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of ABA Corp group**

Perfect Megastructures Pvt Ltd belongs to ABA Corp group which has successfully completed and delivered three projects in the National Capital Region: Olive County in Vasundhara, Orange County in Indirapuram and Cherry County in Greater Noida. The group is carrying out another project, Cleo County in Noida which is being executed phase wise wherein Phase I and II have been completed. IVR believes that Perfect Megastructure Pvt Ltd will benefit from the established track record of the group to complete the project on time as well as sale of inventory.

- **Resourceful promoters & Repayment through Escrow mechanism**

The promoters of the Company have been associated with the real estate industry for over a decade through the group companies of the ABA Corp group. The promoters have already infused above 100.00% of their estimated contribution in the project which reflects their commitment towards timely completion of the project. Collections from the project are deposited in an Escrow Account and are applied towards payment of scheduled interest and principal repayments of the term loan facility.

- **Favorable project location**

The company is developing residential project “IVY County” located at Noida, Sector – 75. Project location is surrounded by all basic necessities and facilities such as schools, hospitals, restaurants, malls, entertainment, ATM’s, Bank, Medical stores etc. which can be accessible easily. Also, the project is having connectivity with Domestic and International Airport, Railways, Roads, and metro line.

- **Comfortable project cost structure**

The project is proposed to be funded through mix of customer advances, debt and capital including inter corporate deposits. Total estimated cost of the project is Rs. 429.56 crore which



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is projected to meet through promoters' fund of Rs. 100 crores, debt of Rs. 125.00 Cr, and customer advances of Rs. 204.56 crore. Loan amount to total cost of project is ~30% and Promoter and customer advances to total cost is ~70.00%. Furthermore, promoters have already infused above 100% of its proposed funding in the project. The company has strong net worth of Rs. 95.93 crs, which provides additional comfort over the adverse scenario or cost escalations.

Key Rating Weaknesses

- **Project implementation risk**

Perfect Megastructure Pvt Ltd belongs to ABA Builders group and developing a premium residential project under the name of "IVY County" in Noida, Sector – 75. The company is developing a housing project "IVY County" which comprises of 4 residential towers of G+27 floors, 1 residential towers of G+26 floors and 1 commercial space of Ground floor, having total saleable area of 11,09,428 lakhs sq. ft. This consists of 546 residential units of 3BHK and 4BHK flats having saleable area of 10,97,766 and 12 commercial units having saleable area of 11,662 sft.

- **Exposure to risks relating to cyclicity in real estate industry**

Cyclicity in the real estate segment could lead to fluctuations in cash inflow because of volatility in realisation and saleability. This may impact the debt servicing ability of the company. PMPL will remain susceptible to the inherent cyclicity in the real estate sector.

Analytical Approach: Standalone Approach

Applicable Criteria:

[Rating Methodology for Real Estate Companies](#)

[Financial Ratios & Interpretation \(Non-financial Sector\)](#)

[Criteria of assigning rating outlook](#)

Liquidity – Adequate

Perfect Megastructure Pvt Ltd is projected to maintain an adequate level of inflow to cover their construction and repayment cost. The company has already pre-paid off Rs. 90.00 crore of term loan. The company is projected to have sufficient cash flow cover to service its



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interest/debt repayments. On an overall basis, cash flow position appears to be adequate. The company has sufficient liquidity to pay off the outstanding debt. Also, the company is likely to benefit from the resourcefulness of the promoters' group. Overall liquidity position is expected to be adequate.

About the Company

Perfect Megastructure Pvt Ltd (PMPL) was incorporated in August 2010 at New Delhi to undertake real estate development activities in the NCR. Perfect Megastructure Pvt Ltd belongs to ABA Builders Limited and developing a premium residential project under the name of "IVY County" in Noida, Sector – 75. The company is developing a housing project "IVY County" having FAR of 3.5 as per approved plan from the Noida Authority. The project comprises of 4 residential towers of G+27 floors, 1 residential towers of G+26 floors and 1 commercial space of Ground floor, having total saleable area of 11,09,428 lakhs sq. ft. This consists of 546 residential units of 3BHK and 4BHK flats having saleable area of 10,97,766 and 12 commercial units having saleable area of 11,662 sft.

Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	0.00	187.86
EBITDA	-0.11	17.33
PAT	0.05	11.87
Total Debt	115.70	107.09
Adjusted Tangible Net worth	102.11	95.93
EBITDA Margin (%)	-	9.22
PAT Margin (%)	26.62	6.32
Adjusted Overall Gearing Ratio (x)	1.13	1.12

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:



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Sr. No .	Name of Instrument/ Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating Date(s) & Rating(s) assigned in 2022-23 (March 24, 2023)	Date(s) & Rating(s) assigned in 2021-22 (December 28, 2021)	Date(s) & Rating(s) assigned in 2020-21 (September 30, 2020)	Date(s) & Rating(s) assigned in 2019-20
1	Fund Based	Long Term	35.00	IVR BBB/ Stable (IVR Triple B/Stable)	IVR BBB/ Stable (IVR Triple B/Stable)	IVR BBB-/ Stable (IVR Triple B Minus/Stable)	-

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches 4 in major cities and representatives in several locations. For more information visit www.infomerics.com



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Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is were is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term- Term Loan	-	-	FY24	35.00	IVR BBB/ Stable (IVR Triple B with Stable Outlook)

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-PerfectMegastructures-mar23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.