



Press Release

Times Infrabuild LLP

December 22, 2022

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	80.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Assigned	Simple
Total	80.00 (Rupees Eighty crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Times Infrabuild LLP (TILLP) derives strength from long track record of the group in real estate sector, favourable location of the under-construction project 'Times 104', and achievement of financial closure for the project, and maintenance of DSRA and escrow account. The rating strengths are, however, tempered by the project execution risk and exposure to risks relating to cyclicity in real estate sector.

Key Rating Sensitivities:

Upward Factors

- Progress of the project as per the schedule
- Substantial increase in the sale of units leading to adequate cash flow generation.

Downward Factors

- Any cost or time overrun in completing the ongoing project
- Weaker-than-anticipated sales performance and lower-than-expected collections/customer advances leading to cash flow mismatches.
- Lower than anticipated booking status

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of the group in real estate sector



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TILLP is part of Times group, which was established in the year 2014 and is engaged in execution of real estate projects both in the residential and commercial space in Ahmedabad. Further, some partners of TILLP are also partners of the Harmony group and Western group. Harmony group and Western group were established in the year 2001 and are also engaged in execution of real estate projects both in the residential and commercial space in Ahmedabad. The three groups have executed about 46 projects in Ahmedabad comprising around 73 lakh square feet of construction area. Further, all three groups are in the process of executing 3 more projects comprising around 18.20 lakh square feet of construction area. TILLP was established in the year 2021 and is engaged in real estate development in Ahmedabad. Its current project is a residential project named as 'Times 104' located in Ahmedabad. The project consists of total 104 flats on a structure of 3 Basement and Ground plus 29 floors with a built-up area of around 5.04 lakh square feet.

Favourable location of the project

The firm is developing a real estate project called 'Times 104' in residential segment, located at Bodakdev, Ahmedabad. Bodakdev is a preferred residential destination in Ahmedabad, due to its proximity to the employment hub Satellite-Prahlad Nagar. It is also one of the costliest localities of the city. Bodakdev is surrounded by other prominent localities of Thaltej, South Bopal, Prahlad Nagar and Satellite Road. The locality also benefits from its proximity to both Sardar Patel Ring Road (NH-147) and 132 Feet Ring Road (NH 228). The building is in the vicinity of Rajpath Club, leading eateries, shopping arenas, renowned temples and much more.

Achievement of financial closure for the project

The total estimated cost of the project is Rs.253.22 crore to be funded by partners' capital and unsecured loans from related parties of Rs.111.32 crore, term loan of Rs.80.00 crore and customer advances of Rs.61.90 crore. The firm has received sanction of term loan of Rs.80.00 crore from bank, thereby reducing funding risk to an extent.

Maintenance of DSRA and escrow account

The revenue of the project is routed through an escrow account maintained with the bank. The withdrawals from account will be as per the predefined waterfall mechanism giving priority to debt obligations and last to operational expenses. The firm is required to maintain a DSRA equivalent to three months interest and principal repayments which imparts additional comfort



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over the repayments of interest/debt. The repayments of the term loan are expected to be made in FY26 within a span of 12 months.

Key Rating Weaknesses

Project execution risk

Out of total envisaged project cost of Rs.253.22 crore, the firm has incurred total cost of Rs.145.54 crore as on October 13, 2022, funded by partners' contribution and unsecured loan from related parties of Rs.111.74 crore, Term Loan of Rs.23.21 crore, advances from customers of Rs.5.33 crore and creditors of Rs.5.26 crore. The firm has sold 28 units out of total 140 units under construction and collected Rs.20.07 crore till October 31, 2022. Although the project is on its schedule, project implementation risk remains as the cost incurred on construction stood at ~28% as on October 14, 2022. A continuous flow of customer advances is essential for smooth physical progress of the project which will depend on the firm's ability to sell at attractive prices. The partners' vast experience in the real estate development along with group's track record of delivering various residential and commercial projects in the past mitigates the risk to an extent.

Exposure to risks relating to cyclical in real estate sector

TILLP is exposed to the cyclical associated with the 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. A high interest rate scenario could discourage the consumers from borrowing to finance the real estate purchases and may depress the real estate market.

Analytical Approach: Standalone

Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Real Estate Entities](#)

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

Liquidity: Adequate



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The project under development by TILLP is funded by a combination of debt, customer advances and promoter funds as explained above. The firm is projected to have adequate cash cover to service its debt obligations. In addition, availability of escrow mechanism along with DSRA/ ISRA account will ensure the smooth repayments. On an overall basis, projected cash flow appears to be adequate.

About the company

TILLP, part of the Times group, was established in the year 2021. It is engaged in real estate development in Ahmedabad. Its current project is a residential project named as 'Times 104' located at Ahmedabad. The project consists of total 104 flats on a structure of 3 Basement and Ground plus 29 floors with a built-up area of around 5.04 lakh square feet. The partners of the firm are Mr. Jayprakash K. Patel, Mr. Bharatkumar K. Gadhiya, Mr. Shaileshkumar M. Patel, Mr. Shashikant V. Patel, Ms. Devangnaben A. Patel, Mr. Dharmendra D. Sorthiya and Mr. Darshan H. Gadhiya.

Financials (Standalone):

	(Rs. crore)
For the year ended / As On*	31-03-2022 (Audited)
Total Operating Income	-
EBITDA	1.04
PAT	-
Total Debt	-
Tangible Network (including Quasi Equity)	49.92
Ratios	
EBITDA Margin (%)	-
PAT Margin (%)	-
Overall Gearing Ratio (based on tangible network including quasi equity) (x)	-

*Classification as per Infomerics' standards

Note: The firm was incorporated in August 2021 has started operations in August 24, 2021. Accordingly, FY22 is the 1st year of operations.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	Long Term	80.00	IVR BBB-/ Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Limited (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 in major cities and representatives in several locations.

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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
Term Loan	-	-	March 31, 2026	80.00	IVR BBB-/ Stable

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

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Times-Infrabuild-dec22.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.