

## Samhita Builders Private Limited

Instrument	Amount (Rs. Crore <sup>1</sup> )	Rating Action
Long Term - Fund Based- Proposed Term Loan	20.0	[ICRA]B assigned

ICRA has assigned a long term rating of [ICRA]B (pronounced as ICRA B)<sup>2</sup> to the Rs.20 crore proposed bank facilities of Samhita Builders Private Limited (SBPL)

The assigned rating factors in the long standing experience of the promoters of SBPL in the real estate industry and the favourable location of the ongoing project-*Royal Splendor*, which is in East Bangalore, close to the IT corridor, and having developed social infrastructure including international schools, shopping malls and multi-specialty hospitals. ICRA also notes that all requisite approvals for the project development are in place.

The rating is, however, constrained by the significant market risk associated with the entity's only ongoing project- *Royal Splendor*, given the low level of bookings till date. The company is exposed to moderate execution risk as the project is in mid stage of construction with ~41% of the total project cost incurred till February , 2016. ICRA also takes notes of the funding risk associated with the project, with debt yet to be tied up. The rating also factors in the vulnerability of sales to any downturns in the real estate demand and the competition within the region from various established real estate developers. Going forward, ability of the company to achieve healthy sales, collect customer advances and execute the on-going project in a timely manner will be the key rating sensitivities.

### About the firm

Samhita Builders Private Limited was incorporated in the year 2010 by Mr. R Pratap Kumar Reddy and Mrs. R Audi Lakshmi who holds ~50% of equity shares each in the company. SBPL is engaged in real estate development with residential assets comprising majority of its portfolio. In the past five years, MPL has completed six projects encompassing ~ 0.6 million square feet (msft) of constructed area. They are currently developing one residential apartment project – *Royal Splendor* at Old Madras Road, Bangalore, Karnataka.

### Result Results

For the financial year 2014-15, the company reported a net profit of Rs. 1.9 crore on an operating income of Rs. 24.7 crore, as against a net profit of Rs. 1.1 crore on an operating income of Rs. 25.7 crore in 2013-14.

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<sup>1</sup> 100 lakhs = 1 crore = 10 millions

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



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