

Payne Realtors Private Limited

Instrument	Amount	Rating Action
	Rs. crore	June 2016
Term Loans	27.50	[ICRA]BBB (stable); reaffirmed

ICRA has reaffirmed **[ICRA] BBB** (pronounced ICRA Triple B) rating assigned to Rs. 27.50 crore¹ term loans of Payne Realtors Private Limited (PRPL)². The rating carries a **stable** outlook.

The reaffirmation of rating factors in PRPL's strong promoter group and demonstrated track record of support from group entities to meet debt servicing obligations in a timely manner. The rating continues to draw comfort from PRPL's reputed lessees, favourable location of its commercial building at Drive-in road in Ahmedabad (Gujarat) and from presence of DSRA (Debt Service Reserve Account) equivalent to two months of debt servicing, which provides cushion against any fluctuation in cash flow.

ICRA's rating is, however, constrained by significant dependence on REL Infracilities Limited (RIL; subsidiary of Religare Enterprises Limited), which accounts for its entire leased area and revenues. Thus, PRPL's ability meet debt obligations is entirely dependent on RIL's ability to make regular and timely lease payments. ICRA's rating also takes into account PRPL's high debt position- total debt stood at Rs. 53 crore as on March 31, 2016, out of which Rs. 27 crore is in the form of Lease Rent Discounting (LRD) loan, Rs. 14 crore is unsecured loan from group companies and Rs. 12 crore is in the form of redeemable preference share. PRPL's debt level is already high and in case of any shortfall in PRPL's cash flows, it will be dependent on GYS³ ability to provide adequate and timely support. Networth of the company continues to stay negative due to losses and also because most of the funds have been infused by promoters in the form of preference shares and unsecured loans.

Going forward, movement in occupancy, reduction in dependence on RIL and adequate & timely support from GYS (if and when required) will be the key rating sensitivities.

Company Profile

Payne Realtors Private Limited (PRPL), incorporated in February 2008, is a 100% subsidiary of GYS Real Estates Private Limited (GYS). GYS was incorporated on December 8, 2006. 84% stake in the company is held by Ms. Shabnam Dhillon and 16% stake is held by Mr. Yuvraj Narain Gorwaney. GYS group is based out of New Delhi and it owns and manages multiple real estate assets in India. PRPL's commercial building is operational since 2009 and has total leasable area of 74,500 sq ft. GYS has five subsidiaries, each of which owns and manages commercial properties in various locations. Total saleable area across the six companies (GYS and its five subsidiaries) is 1.15 million sq ft.

Recent Results

In FY2016, the company's operating income is Rs. 5.09 crore (provisional) and its net loss is Rs. 2.76 crore (provisional), while in FY2015, its operating income was Rs. 5.03 crore and net loss was Rs. 8.62 crore.

June 2016

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¹ 100 lakh = 1 crore = 10 million

² For complete rating definition please refer to ICRA website www.icra.in or any of the ICRA Rating Publications

³ PRPL is a subsidiary of GYS Real Estates Private Limited (rated [ICRA]BBB), which owns and operates a commercial property in Saket in New Delhi



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