

RATING RATIONALE

23 Aug 2024

Bakeri Urban Development Private Limited

Brickwork Ratings downgrades the ratings for the Non-Convertible Debentures amounting to Rs. 105.00 Crs and Bank loan facilities of Rs. 10.00 Crs of Bakeri Urban Development Private Limited, based on the best available information, as the issuer did not cooperate.

Particulars:

Instrument/ Facilities**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (24 Aug 2023)	Present
Non Convertible Debenture	105.00	105.00	Long Term	BWR BB/Stable Issuer Not Cooperating*/ Downgrade	BWR B+/Stable/ Continues to Issuer Not Cooperating*/ Downgrade
Bank Loan - Fund Based	10.00	10.00		BWR BB/Stable Issuer Not Cooperating*/ Downgrade	BWR B+/Stable/ Continues to Issuer Not Cooperating*/ Downgrade
Total	115.00	115.00	Rs. One Hundred and Fifteen Crores Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

**Details of Non Convertible Debenture is provided in Annexure-I and bank loan facilities in Annexure-II

* Issuer did not cooperate, based on the best available information.

RATING ACTION / NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) had previously retained the rating of Bakeri Urban Development Private Limited (BUDPL or the company) to BWR BB/Stable under the 'Issuer Not Cooperating' category.

The annual surveillance of the Company is due for review on 24th Aug 24 and in context to the same BWR followed up with the Company via emails dated 5th Aug 24, 6th Aug 24 and 19th Aug 24 for providing the required information for review of the ratings. Despite the same no information was received by us and hence in the absence of the same (viz. Future projections, liquidity & facility utilization levels, bank statements, and other business updates), BWR is unable to assess the issuer's financial/ business performance and its ability to service the debt obligations. BWR has regularly been seeking a No default statement (NDS) from the Company, but the same has not been shared with us till date.



The lenders/investors may note to exercise due caution while using the above rating which mentions "Issuer Not Cooperating" since the rating lack any projections or forward-looking component as it is arrived at based on the best available information without any management/banker's interaction.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

ANALYTICAL APPROACH - Standalone

BWR has factored in the standalone business parameters and financial risk profile of the company to arrive at the rating.

ABOUT THE ENTITY (As available on 25 July, 2022)

Bakeri Urban Development Private Limited (hereinafter referred to as 'BUDPL' or 'the Company') was incorporated in 1996 and is a part of Gujarat based Bakeri Group. The group is involved into the real estate business. Bakeri Group has implemented more than 100 projects over the past five decades on a land area of over 14 million square feet (includes the ongoing projects). Bakeri Group has established brand name in Ahmedabad real estate market. Bakeri Projects Private Limited [BPPL] is the flagship Company of the Bakeri Group and hold 100% shares in BUDPL.

ABOUT THE PROJECT (As available on 25 July, 2022)

At present, the Company has two ongoing residential projects under the name of 'Bakeri Swara' and 'Serenity Proximus (Phase-II)' having total saleable area of 18,84,780 sq. ft. It has incurred ~96% of total construction cost with ~83% booking achieved as on 31st March 2022 The company has also launched a plotted development scheme project under the name of "Sylvan Golf & Country Homes" located in Agol village which also includes a golf course and country club. The project was launched in April, 2021 with a total saleable area is 45,57,537 sq.ft. and around 33 percent of the construction cost has been incurred as on 31st March 2022 It has sold an area of around 2,11,716 sq.ft. for total sale value of Rs. 11.17 Crs as on 31st March 2022. The project is expected to be completed in March 2026.

KEY FINANCIAL INDICATORS (in ₹ Cr) - BUDPL [Standalone]

Key Parameters	Units	FY23	FY24	Q1FY25 (30 June, 2024)
Result Type		Audited	Audited	Unaudited
Operating Revenue	Rs. Crs.	25.95	19.89	9.01
EBITDA	Rs. Crs.	12.09	8.19	4.25
PAT	Rs. Crs.	(0.59)	(1.30)	2.12
Tangible Net worth	Rs. Crs.	12.34	10.51	DNA
Total Debt/ Tangible Net Worth (Analyzed)	Times	242.44	228.62	DNA
Current Ratio	Times	3.24	2.49	DNA

DNA- Data not available.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY

Not Applicable

ANY OTHER INFORMATION

Not Applicable

RATING HISTORY FOR THE PREVIOUS THREE YEARS [INCLUDING WITHDRAWAL AND SUSPENDED]

Instrument / Facilities	Current Rating 2024			Rating History			
	Tenure	Amount (₹ Cr)	Present Rating	26 July 2023	25 July, 2022	26 May, 2021	30 April, 2020
Non Convertible Debenture	Long Term	105.00	BWR B+/Stable/ Continues to Issuer Not Cooperating*/ Downgrade	BWR BB/Stable Issuer Not Cooperating*/ Downgrade	BWR BBB- /Stable [Revision in analytical approach]^	BWR BBB-(CE) /Stable [Reaffirmed]	BWR BBB-(CE) /Stable [Reaffirmed]
Fund Based - Bank Loan Facilities	Long Term	10.00	BWR B+/Stable/ Continues to Issuer Not Cooperating*/ Downgrade	BWR BB/Stable Issuer Not Cooperating*/ Downgrade	BWR BBB- /Stable [Reaffirmed]	BWR BBB- /Stable [Reaffirmed]	BWR BBB- /Stable [Reaffirmed]
Total		115.00	INR One Hundred and Fifteen Crs Only				

Rating advisory, as on 1 June 2022 (Advisory issued for delay in review of the Rating)

* Issuer did not cooperate, based on the best available information.

^revision in the analytical approach from ‘Credit Enhancement based on Corporate Guarantee’ to a standalone approach in view of the opinion that the corporate guarantee given by the holding company, Bakeri Projects Private Limited (BPPL), should be viewed as additional strength.

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Rating Criteria - Rating of Real Estate - Residential Projects](#)

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ANNEXURE I

Bakeri Urban Development Private Limited Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank / Lender	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)	Complexity of the instrument
1.	The Karur Vysya Bank Limited	Secured Overdraft (SOD)	10.00	-	10.00	Simple#
2.	The Karur Vysya Bank Limited	Working Capital Demand Loan (Sublimite of SOD)	(10.00)	-	(10.00)	Simple#
	TOTAL		10.00	Total Rupees Ten Crores only.		



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ANNEXURE II

Bakeri Urban Development Private Limited **Details of Non Convertible Debentures rated by BWR**

Instrument	Issue Date	Present Amount (₹ Cr)	Coupon Rate	Maturity Date	ISIN Particulars	Complexity of the instrument
Non Convertible Debentures	Feb-2016	15.00	10.00 % p.a.	29 April 2026	INE325U08198	Simple#
	Mar-2016	15.00	10.00 % p.a.	30 April 2026	INE325U08206	Simple#
	Mar-2016	15.00	10.00 % p.a.	01 May 2026	INE325U08214	Simple#
	Mar-2016	15.00	10.00 % p.a.	03 May 2026	INE325U08222	Simple#
	Mar-2016	15.00	10.00 % p.a.	04 May 2027	INE325U08230	Simple#
	Aug-2016	10.00	10.00 % p.a.	21 April 2027	INE325U08248	Simple#
	Aug-2016	10.00	10.00 % p.a.	22 April 2027	INE325U08255	Simple#
	Aug-2016	10.00	10.00 % p.a.	23 April 2027	INE325U08263	Simple#
TOTAL		105.00	Total Rupees One Hundred and Five Crores only.			

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