

June 7, 2010

CARE ASSIGNS 'CARE BB+' AND 'PR4' RATING TO THE BANK FACILITIES OF NILA INFRASTRUCTURES LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	24	'CARE BB+' (Double B Plus)	Assigned
Long/Short-term Bank Facilities	2	'CARE BB+ /PR4' (Double B Plus / PR Four)	Assigned
Total Facilities	26		

Rating Rationale

The ratings are constrained by small size of operations of Nila Infrastructures Ltd (Nila) compared to similar players in the industry, risk associated with large size projects proposed / under execution as compared to Nila's network, lack of established track record in majority of the present projects (viz. large size residential projects, industrial infrastructure) and risk associated with the funding of real estate projects as customer advances forms major part of financing. These far outweigh the experience of promoters, comfortable order book position and comfortable profitability margins.

Timely execution of orders while maintaining order book position, achievement of sales realisation & customer advances in residential projects as envisaged and impact of significant debt funded project, if any, on Nila's financial profile are the key rating sensitivities.

Company Profile

Incorporated in 1990, Nila is Sambhaav Group company, promoted by Shri Manoj Vadodariya, and started commercial activities in construction of residential and commercial projects. It has expanded its scope of services to infrastructure development in recent years.

Nila reported PAT of Rs.2.80 crore on total income of Rs.43.95 crore in FY09 as against PAT of Rs.1.98 crore on total income of Rs.8.92 crore in FY08. During Q1FY10, Nila reported total income & PAT of Rs.10.08 crore & Rs.0.84 crore respectively.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

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