



Press Release

B-Right RealEstate Limited (BRRL)

December 27, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term – Proposed Fixed Deposits	38.98	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+/ Negative; ISSUER NOT COOPERATING* (VR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Upgraded, outlook revised and removed from 'Issuer Not Cooperating category'	Simple
Long Term – Fixed Deposits	1.02	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	--	Assigned	Simple
Total	40.00 (Rs. Forty crore only)				

* Issuer did not cooperate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rational

Infomerics Ratings has upgraded the rating, outlook revised and removed from 'Issuer Not Cooperating category'. The ratings continues to derive strength from funding tie-up, sufficient cash flow cover, strategic location of the projects and experienced promoters in the real estate industry and established track record. However, these rating strengths are partially offset by inherent cyclical nature of the real estate sector, project execution and saleability risk and geographical concentration risk.

The Stable Outlook of BRRL reflects benefit from experienced promoters and established track record in the real estate industry.

Key Rating Sensitivities:

Upward Factors



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- Improvement in the sales velocity and collections through a combination of improved sales and construction progress, such that the collections are sufficient to fund the committed costs and debt obligations.

Downward Factors

- Weaker-than-anticipated sales performance and lower-than-expected collections, which may lead to increased funding risk.
- Any delay in the project implementation and/or increase in debt thereby deteriorating the leverage ratios.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Funding Tie-up**

BRRL has estimated the total cost of Rs.171.09 crore to be funded by promoter of Rs.35.00 crore, borrowings of Rs.25.00 crore and customer advances of Rs.111.09 crore. BRRL has already completed funding tie up for the project, thereby reducing funding risk to an extent. Further, out of total cost estimated of Rs.171.09 crore, BRRL has already incurred Rs.103.59 crore i.e. ~61%.

- **Sufficient cash flow cover**

The project under development is funded by a combination of debt, customer advances and promoter funds. The company is projected to have sufficient average cash flow coverage and minimum cash flow coverage to service its debt obligations as evidenced by above unity level cash flow coverage ratio of the project throughout the projections. On an overall basis, projected cash flow appears to be adequate.

- **Strategic location of the projects**

BRRL's projects are strategically located in Mumbai, which is one of the prime and well-established residential and commercial locations with good connectivity through railways and roadways. The project enjoys proximity to essential amenities and physical and social infrastructure like highways, domestic and international airports, railways, metro lines,



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schools & Colleges, shopping malls, hospitals, restaurants etc. The demand for residential properties remains high, driven by Mumbai's status as a financial and commercial hub.

- **Experienced promoters in the real estate industry and established track record**

The B-Right Real Estate Limited is based in Mumbai, incorporated in the year 2007 and is part of B-Right Group. The Company is into integrated construction and real estate development, focused primarily on construction and development of residential and commercial projects, in and around Mumbai and established a successful track record in the real estate industry in Mumbai, by developing versatile projects through focus on innovative architecture, strong project execution and quality construction. The present promoter of the Company are Cheerful Dealtrade LLP and Blow Sales LLP, promoted, managed and controlled by Mr. Sanjay Nathalal Shah, Whole-Time Director of the company. The group has successfully completed many projects till date, with a total saleable area of 10.37 lakh square feet, out of which all units have already been sold. The experience of the promoter would thus keep the company in good stead and help it to complete the project in a timely manner.

Key Rating Weaknesses

- **Inherent cyclical nature of the real estate sector**

BRRL is exposed to the cyclical nature associated with the real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available to individuals. In the 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.

- **Project execution and saleability risk**

BRRL is exposed to project execution risk, as any delays in project completion or lower than- expected sales of units could lead to cost overruns and impact on the project's viability. However, these risks are mitigated as BRRL has already sold ~86% of the total saleable units.



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- **Geographical Concentration Risk**

All of the group's ongoing projects are located in and around Mumbai, which exposes the group to geographical concentration risk. Any severe impact on the local real estate market can impact the group's overall operations.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has used consolidated approach to analyse BRRL and its subsidiaries as they are in the same line of businesses (real estate), under a common management. BRRL operates by way of separate subsidiaries for its various projects. BRRL is the parent company and others are subsidiaries.

Applicable Criteria:

[Rating Methodology for Real Estate Entities](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

Liquidity – Adequate

The project under development by the company is funded by a combination of debt, customer advances and promoter funds. BRRL is projected to have comfortable cash cover to service its debt obligations as evidenced by above unity cash flow coverage ratio of the project throughout the projections. On an overall basis, projected cash flow appears to be adequate.

About the Company

BRRL is an integrated construction and real estate development company, focused primarily on residential and commercial projects in and around Mumbai. The company was originally incorporated in 2007 by Mr. Abhijit Dutta and Ms. M. B. Udani. In 2010. The company has a proven track record in the real estate industry, with a focus on innovative architecture, strong



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project execution, and quality construction. The company has a customer-centric business model that focuses on financing to address consumer needs across locations. The company streamlines its supply chain and construction processes with to develop quality products consistently and in a timely and cost-efficient manner. The company's construction management and procurement teams focus on realizing efficiencies in procurement, vendor selection, and construction.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	17.22	40.91
EBITDA	3.82	9.82
PAT	1.91	2.43
Total Debt	39.25	154.10
Tangible Net Worth	136.63	141.87
EBITDA Margin (%)	22.17	24.00
PAT Margin (%)	9.92	5.75
Overall Gearing Ratio (x)	0.29	1.09
Interest Coverage (x)	4.46	8.12

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S r. N o.	Name of Security/ Facilities	Current Ratings (2024-25)				Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					November 8, 2024	September 12, 2023	-	-
1.	Proposed Fixed Deposit	Long Term	38.98	IVR BBB-/ Stable	IVR BB+/ Negative; ISSUER NOT COOPERATING *	IVR BBB-/ Stable	-	-



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					November 8, 2024	September 12, 2023	-	-
2.	Fixed Deposit	Long Term	1.02	IVR BBB-/ Stable	--	--	-	-

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed Fixed Deposit	-	-	-	-	38.98	IVR BBB-/ Stable
Fixed Deposit	-	-	-	-	1.02	IVR BBB-/ Stable

Annexure 2: Facility wise lender details: Not applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis:

Name of the company	Consolidation approach
Subsidiary Entity:	
Farewell Realestate Private Limited	Full Consolidation
B Right Realestate Ventures LLP	Full Consolidation
Step Down Subsidiary	
Jaliyan B-Right Developers Private Limited	Full Consolidation
B-Right NY ESquare LLP	Full Consolidation
B-Right Housecon LLP	Full Consolidation
B-Right Realty Lonavala LLP	Full Consolidation
Siddhivinayak Developers Kurar	Full Consolidation
B-Right RMBD Developers LLP	Full Consolidation



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Darc Realty LLP	Full Consolidation
BRV Leasing Andheri LLP	Full Consolidation
B-Right Archpro Ventures	Full Consolidation
Jaliyan Developers	Full Consolidation
D M Realtors	Full Consolidation
B-Right Tathaastu Ventures Private Limited	Full Consolidation
B-Right RMBD Realtors Private Limited	Full Consolidation
B-Right Purple Realtors Private Limited	Full Consolidation
BRV Realty Private Limited	Full Consolidation
B-Right DNS Realty Private Limited	Full Consolidation
Kamla Shiv Developer	Full Consolidation
Vastu Rachna Developers	Full Consolidation
Parth Construction	Full Consolidation

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.