



Press Release

Fabworth Promoters Pvt Ltd

October 23, 2020

Rating

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Rating	Rating Action
1.	Long Term Bank Facilities	565.0	IVR BB+/ Negative Outlook (IVR Double B Plus with Negative Outlook)	Revised from IVR BBB/ Stable (IVR Triple B with Stable Outlook)
		565.00 (Rupees five hundred and sixty five crores only)		

Details of Facilities are in Annexure 1.

Detailed Rationale

The revision in the ratings takes into account the expected deterioration in the financial risk profile and possibility of cash flow mismatches due to weak macro-economic environment amidst the ongoing pandemic.

The outlook of the rating has been revised to negative from stable owing to uncertainty in the demand scenario in hospitality and real estate sector as it is amongst the worst hit sectors due to the pandemic. As a result of the same cash flow generating abilities of FPPL have been hampered. Further as per information received, FPPL is planning to avail the facility of 'Rescheduling of Loans under Reserve Bank Guidelines on Resolution framework for COVID-19 related stress dated Aug. 06, 2020 and Sep 07, 2020' and submitted a proposal for the same to its bankers.

Infomerics will continue to monitor the developments in these regards and will take a view on the ratings once the exact implications of the above on the credit risk profile of the company are clear.

For detailed press release issued earlier please refer the link: https://www.infomerics.com/db-include/uploads/PR_FPPL_09.09.2019.pdf

Infomerics has a policy of keeping its accepted ratings under constant and ongoing monitoring and review. Accordingly, it seeks regular updates from companies on their business and financial performance. Infomerics is yet to receive adequate information from Fabworth Promoters Pvt Ltd (FPPL) to enable it to undertake a complete rating



Press Release

review. Infomerics is taking all possible efforts to get the rated entity to cooperate with its rating process for enabling it to carry out the complete rating review.

Infomerics views information availability risk as a key factor in its assessment of credit risk. If FPPL continues to delay the provisioning of information required by Infomerics to undertake a complete rating review then, in accordance with circulars SEBI/HO/MIRSD/MIRSD4/CIR/P/2016/119 dated November 1, 2016, SEBI/HO/MIRSD/MIRSD4/CIR/P/2017/71 dt. June 30, 2017 and SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 dated January 3, 2020 issued by Securities and Exchange Board of India, Infomerics will carry out the review based on best available information and issue a press release.

Analytical Approach: Standalone.

Applicable Criteria:

Rating Methodology for Service Sector Companies

Financial Ratios & Interpretation (Non-financial Sector)

Liquidity: Poor

Given the company is constrained to repay its liabilities in timely manner, the liquidity is poor.

About Fabworth Promoters Pvt Ltd

Fabworth Promoters Private Limited (FPPL) was incorporated in 2006 by Emaar MGF Land Limited (EMGF) of Delhi. In August 2010, FPPL was converted into a joint venture company, with other business groups (Sattva Group of Bangalore, Mani group of Kolkata and SPS Group of Kolkata) taking stake in the company. EMGF retained 26% stake in the joint venture and sold the remaining stake to the aforementioned groups. In August 2010, EMGF and SPS Group exited the JV. Presently, FPPL is a Special Purpose Vehicle (SPV) jointly owned by Mani Group (80%) and Sattva Group (20%).

The company was formed for the development and operations of a 281 key Five-Star hotel along with 51 service apartments on the Eastern Metropolitan Bypass, Kolkata in a phased manner. FPPL has entered into a hotel operating agreement with Marriott Hotel India Pvt Ltd for operating the hotel under its luxury brand name- "JW Marriott" for a period of 30 years. Hotel operations commenced in November, 2016 and presently all the 281 rooms and facilities are operational.

Financials (Standalone):



Press Release

(Rs. crore)

For the year ended* / As On	31-03-2018	31-03-2019
	Audited	Provisional
Total Operating Income	166.76	150.83
EBITDA	34.37	50.53
PAT	-30.89	-24.35
Total Debt (Excl. Subordinated Loans)	555.08	595.75
Tangible Net worth	346.73	322.38
EBITDA Margin (%)	20.61	33.51
Overall Gearing Ratio (x)(Excl. Subordinated Loans)	1.60	1.85

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Long Term Fund Based Limits - Cash Credit	Long Term	25.00	IVR BB+/ Negative Outlook	IVR BBB/ Stable Outlook (September 09, 2019)	-	-
2.	Long Term Fund Based Limits - Term Loan	Long Term	535.00	IVR BB+/ Negative Outlook	IVR BBB/ Stable Outlook (September 09, 2019)	-	-
3.	Long Term Non-Fund Based Limits - BG	Long Term	5.00	IVR BB+/ Negative Outlook	IVR BBB/ Stable Outlook (September 09, 2019)	-	-

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it



Press Release

on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

Name: Mrs. Nidhi Sukhani

Tel: (033) 46022266

Email: deepayanghosh@infomerics.com

Name: Mr. Avik Podder

Tel: (033) 46022266

Email: apodder@infomerics.com

About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits–Cash Credit	-	-	-	25.00	IVR BB+/ Negative Outlook
Long Term Fund Based Limits–Term	-	-	June 2032	535.00	IVR BB+/ Negative Outlook



Press Release

Loan					
Long Term Non-Fund Based Limits–BG	-	-	-	5.00	IVR BB+/ Negative Outlook