

September 26, 2022

Mr. Bhushan Vilaskumar Palresha

Director

Magnite Developers Private Limited

3<sup>rd</sup> Floor, S.No.- 34, Near Inorbit Mall,

Wadgaon Sheri, Pune,

Maharashtra, India - 411014.

**Conversion of provisional rating to final rating assigned to Debt Instruments of  
Magnite Developers Private Limited (MDPL)**

Dear Sir,

After taking into consideration all the relevant recent developments, including operational financial performance of your company for FY22 (Provisional) and along with submission of the documents and completion of the steps based on which the Provisional rating was assigned earlier (namely Appointment of a SEBI registered Debenture Trustee, signing of trust deed, and receipt of the final term sheet and confirmation from trustee regarding the compliance with all the terms and conditions of the term sheet),

Our Rating Committee has reviewed the following ratings:

Instrument/Facility	Amount (INR. crore)	Current Ratings	Previous Ratings	Rating Action
Non-Convertible Debentures (NCDs)*	800.00	IVR BB- /Stable (IVR Double B Minus with Stable Outlook)	Provisional IVR BB- /Stable (Provisional IVR Double B Minus with Stable Outlook)	Final Rating
Proposed Non- Convertible Debentures (NCDs)	72.00	-	Provisional IVR BB- /Stable (Provisional IVR Double B Minus with Stable Outlook)	Withdrawn
<b>Total</b>	<b>800.00</b>			

\*The NCDs of Rs. 800.00 crore shall be issued on private placement in one or more tranches.

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CIN : U32202DL1986PTC024575





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Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short term ratings and explanatory notes thereon are attached in **Annexure II**.

2. The press release for the rating(s) will be communicated to you shortly.
3. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.
4. The above rating is normally valid for a period of one year from the date of our **initial communication** of rating to you (that is **24<sup>th</sup> June, 2022**).
5. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS; circumstances warrant such surveillance/review.
6. Further in terms of the mandate executed with us, you have undertaken to comply with the following:-
  - a. Inform INFOMERICS before availing any new bank facility/ies and/or of any changes in the terms, conditions and/or size of the facilities rated.
  - b. Furnish all material information and any other information in a timely manner as may be required by INFOMERICS, for monitoring the Rating assigned during the tenure of the bank facilities rated by INFOMERICS.
  - c. Co-operate with and enable INFOMERICS to arrive at and maintain a true and fair rating and in particular, provide INFOMERICS with true, adequate, accurate, fair, and timely information for the purpose.
  - d. Inform INFOMERICS, in writing and in a timely manner, of any other developments which may have a direct or indirect impact on the CLIENT's debt servicing capability including any proposal for re-schedulement or postponement of the repayment programs of the dues/ debts of the CLIENT with any lender (s)/ investor (s) within seven days from the date of such developments/ proposal.
7. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to [nds@Infomerics.com](mailto:nds@Infomerics.com) and to the mail id of the undersigned.
8. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**

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9. You shall furnish all material information and any other information called for by INFOMERIC in a timely manner, for monitoring the rating assigned by INFOMERIC. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERIC shall carry out the review/annual surveillance on the basis of best available information throughout the lifetime of such bank facilities as per the policy of INFOMERIC.
10. INFOMERIC reserves the right to withdraw/revise/reaffirm the rating assigned on the basis of new information. INFOMERIC is also entitled to publicise/disseminate such withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
11. Please note that INFOMERIC ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERIC do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
12. In case you require any clarification, you are welcome to communicate with us in this regard.

Thanking you,

With Regards,

**Vaibhav Jain**

Rating Analyst

Email: [vaibhav.jain@infomerics.com](mailto:vaibhav.jain@infomerics.com)

**Prakash Kabra**

Head – Rating Operations

Email: [prakash.kabra@infomerics.com](mailto:prakash.kabra@infomerics.com)

**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.

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Long-term facilities  
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**ANNEXURE I**

**I.A. Long Term Facility –NCDs\***

Facility Type	Sanction Amount (INR Crore)	ISIN number	Coupon	Redemption Date
Non-Convertible Debentures (NCD)*	800.00	INE0M1Q01018	10.00% per annum	March 31, 2027

\*The NCDs of INR 800.00 crore shall be issued on private placement in one or more tranches.

**Synopsis of the Term Sheet - Amount: INR 800.00 crores**

Issuer	Magnite Developers Private Limited
Security Name	10.00% secured rated listed redeemable non-convertible debentures (NCDs)
ISIN number	INE0M1Q01018
Investment Tenor	54 Months (4.5 years)
Coupon	10.00% per annum, payable quarterly
Issue Size	INR.800.00 crore in one or more tranches/ Series
Repayment	The NCDs shall be repaid within 54 Months from the Effective Date on a quarterly basis as per the table below.

**Annexure A: Redemption Schedule**

All figures in INR m Period ending	Amount Repayment			
	Principal	Cash Interest	PIK	Total
30-Sep-22	-	-	-	-
31-Dec-22	-	-	-	-
31-Mar-23	-	41,02,01,083	-	41,02,01,083
30-Jun-23	-	21,06,67,449	-	21,06,67,449
30-Sep-23	40,00,00,000	21,61,45,943	-	61,61,45,943
31-Dec-23	20,00,00,000	21,17,66,908	-	41,17,66,908
31-Mar-24	20,00,00,000	21,22,73,994	-	41,22,73,994
30-Jun-24	20,00,00,000	21,27,94,268	-	41,27,94,268
30-Sep-24	20,00,00,000	21,33,28,071	-	41,33,28,071
31-Dec-24	20,00,00,000	21,38,76,756	-	41,38,76,756
31-Mar-25	20,00,00,000	21,44,37,683	-	41,44,37,683
30-Jun-25	20,00,00,000	21,50,14,224	-	41,50,14,224
30-Sep-25	20,00,00,000	21,56,05,758	-	41,56,05,758
31-Dec-25	2,00,00,00,000	21,62,12,675	-	2,21,62,12,675
31-Mar-26	2,00,00,00,000	17,18,35,375	-	2,17,18,35,375
30-Jun-26	1,99,99,99,000	12,63,04,025	-	2,12,63,03,025
30-Sep-26	-	7,95,88,639	2,12,23,63,706	2,20,19,52,345
31-Dec-26	-	2,85,99,282	76,26,47,516	79,12,46,798
31-Mar-27	1,000	1,02,76,830	42,17,62,334	43,20,40,164



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**ANNEXURE II**

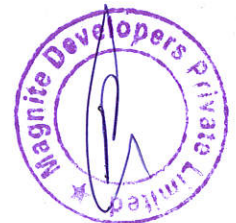
**INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes**

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to offer the highest degree of safety regarding timely servicing of financial obligations. Such issuers carry lowest credit risk.
IVR AA	Instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations. Such issuers carry very low credit risk.
IVR A	Instruments with this rating are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk.
IVR BBB	Instruments with this rating are considered to offer moderate degree of safety regarding timely servicing of financial obligations. Such issuers carry moderate credit risk.
IVR BB	Instruments with this rating are considered to offer moderate risk of default regarding timely servicing of financial obligations.
IVR B	Instruments with this rating are considered to offer high risk of default regarding timely servicing of financial obligations.
IVR C	Instruments with this rating are considered to offer very high risk of default regarding timely servicing of financial obligations.
IVR D	Instruments with this rating are in default or are expected to be in default soon in servicing of debt obligations.

*INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.*

*INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.*

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**INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes**

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

*INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.*

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## Press Release

### Magnite Developers Private Limited (MDPL)

September XX, 2022

**Ratings:**

<b>Instrument/Facility</b>	<b>Amount (INR. crore)</b>	<b>Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Non-Convertible Debentures (NCDs)*	800.00	IVR BB- / Stable [IVR Double B Minus with Stable Outlook]	Final Rating	Simple
Proposed Non-Convertible Debentures (NCDs)	72.00	-	Withdrawn	Simple
Total	<b>800.00</b>			

**Details of instruments are in Annexure 1**

*\*The NCDs of INR. 800.00 crore shall be issued on private placement in one or more tranches.*

**Detailed Rationale**

The aforesaid ratings assigned to the NCD issue of Magnite Developers Private Limited (MDPL) derives strength from experienced promoters and sustained track record, favourable location of the projects with proximity to city amenities and healthy cashflow expected from ongoing projects reflecting strong cash coverage. However, the rating is constrained by project execution risk, cyclical nature of the real estate industry, subject to regulations and geographical concentration risk.

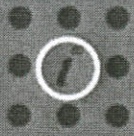
**Key Rating Sensitivities:**

**Upward Factor:**

- Upward revision in the sales rate per sq. ft resulting in improved project surplus as envisaged.
- Project execution as scheduled supported by timely realization of customer advances as envisaged.
- Sales momentum as projected coupled with improved operating margins.

**Downward Factor:**





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- Delay in project execution or sales momentum in turn leading to liquidity stress.
- Downward revision in sales rates in turn leading to losses in the projects.

### **Detailed Description of Key Rating Drivers**

#### **Key Rating Strengths:**

##### **Experienced promoters and sustained track record**

The company is promoted by Mr. Nilesh Vilaskumar Palresha and Mr Bhushan Vilaskumar Palresha. The promoters have combined experience of over three decades in the real-estate industry. The company is the part of VTP Group which is primarily engaged in real estate development and has shown track record of successfully constructing various projects in past decades. As on date, they have successfully completed 17 projects which are a mix of commercial, residential and school projects along with several other projects on-going and are in pipeline.

##### **Favourable location of the projects with proximity to city amenities**

The location of the projects provides direct connectivity to all major points of the city. The projects are situated on a prime location having various upcoming IT companies; is well connected to nearby highways passing through the region and various other amenity points including the upcoming Metro. Project location is Hinejwadi, Pune which is the IT hub of Pune.

##### **Healthy cashflow expected from ongoing projects reflecting strong cash coverage**

The company has an unsold inventory of INR 941.26 Crore and receivables from already sold inventory is expected to be INR. 245.13 Crore. Healthy cashflow are expected in FY23 on account of sale of remaining units as due to favourable location the project has received strong response. However, the group's ability to sell these units timely and generate cash flows is crucial for the Company's overall performance

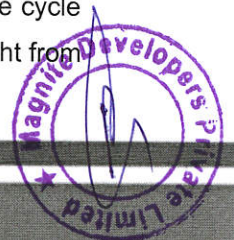
#### **Key Rating Weaknesses:**

##### **Project execution risk**

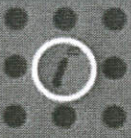
The group is currently executing various projects under various phases and sectors, and as such, is not immune to the project execution risks. However, the comfort is drawn from the group's execution track record and the group's expertise to complete the projects.

##### **Cyclical nature of the real estate industry, subject to regulations**

The real estate in India is highly fragmented and is capital intensive in nature. The life cycle of a real estate project is long and the state of the economy at every point in time, right from







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land acquisition to construction to actual delivery, has an impact on the project. This capital-intensive sector is extremely vulnerable to the economic cycles. Adverse movement in interest rate affects the real estate players in both ways by hampering demand as well as increasing the cost of construction. The sector is also subject to multiple regulatory approvals from respective authorities; thus, the timely receipt of regulatory approval is critical for the timely launches of new project phases and future sales/collections.

### **Geographical concentration risk**

All of the past and ongoing projects of the group is located in Pune, Maharashtra which exposes the company to geographical concentration risk. Any adverse movement in the regional real estate market can impact the overall operations of the company

### **Analytical Approach:** Standalone

### **Applicable Criteria:**

Rating Methodology for Real Estate Entities.

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria of assigning Rating Outlook

### **Liquidity – Adequate**

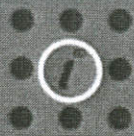
The liquidity position of the company remains adequate as cash accruals are healthy to meet incremental working capital limits. The current ratio stood at 1.08x times as on 31st March 2022(P). Cash and Cash equivalent amounted to INR 0.11 Crore as on 31st March 2022(P). The company has substantial advance from customer's receivables which provides sufficient cushion for near term liquidity and adequate cash cover to complete the construction.

### **About the Company:**

Magnite Developers Private Limited is part of the VTP group. The company is undertaking development of one residential project namely VTP Bellissimo in Pune. VTP Bellissimo is part of township VTP Bluewaters which is spread over 200+ acres. It is located at the junction of Baner and Hinjewadi Phase 1 within the hub of Aundh-Baner-Balewadi smart development corridor and the Hi-Tech Maan-Mahalunge Smart City. Total area of the project is 17 lac sq. ft. The operations of the company are handled by Mr Bhushan Palresha and Mr Nilesh Palresha.







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### Financials (Standalone)

INR in Crore

For the year ended*/As on	31-03-2022
	(Provisional)
Total Operating Income	Not Applicable
EBITDA	Not Meaningful
PAT	Not Meaningful
Total Debt	19.70
Adjusted Tangible Net Worth	Not Meaningful
EBITDA Margin (%)	Not Meaningful
PAT Margin (%)	Not Meaningful
Overall Gearing Ratio (x)	Not Meaningful

\* Classification as per Infomerics' standards

As the company was formed in January, 2022. FY22 financials are not substantial.

**Details of Non-Co-operation with any other CRA: Nil**

**Any other information: N.A.**

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (INR. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (15/Sep/22)	Date(s) & Rating(s) assigned in 2022-23 (24/Jun/22)	Date(s) & Rating(s) assigned in 2021-22
1.	Non-Convertible Debentures	Long Term	800.00	IVR BB- / Stable	Provisional IVR BB- / Stable	Provisional IVR BB- / Stable	-
2	Proposed Non-Convertible Debentures	Long Term	72.00	Withdrawn	Provisional IVR BB- / Stable	Provisional IVR BB- / Stable	-

### Name and Contact Details of the Rating Analysts:

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Tel: (022) 62396023

Email: [prakash.kabra@infomerics.com](mailto:prakash.kabra@infomerics.com)







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### 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	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR. Crore)	Rating Assigned/ Outlook
Non-Convertible Debenture	INE0M1Q01018	30 <sup>th</sup> September 2022	10.00% per annum	31 <sup>st</sup> March 2027	800.00	IVR BB- / Stable

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable**

**Annexure 3: Facility wise lender details: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**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](http://www.infomerics.com).

