

Grading Rationale

February 5, 2019 | Mumbai

GM Infinite Dwellings (India) Private Limited

Grading Action

Developer Grading	DA2 (Assigned)
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CRISIL has assigned its '**DA2**' real estate developer grading to GM Infinite Dwellings (India) Pvt Ltd (GM Infinite). The grading indicates that the developer's ability to execute real estate projects as per the specified quality level and within the stipulated time, and to transfer a clean title is 'Very Good.'

The grading reflects the promoter's strong track record in the civil construction business, and GM Infinite's sound marketing and development strategies, standardised work flow processes and systems, and good second line management team. These strengths are partially offset by geographic concentration risk, low track record in commercial and retail development, aggressive developmental plans, and below average financial risk profile.

GM Infinite's promoter, Mr Gulam Mustafa, is a civil engineer and has experience of nearly three decades as a civil contractor. The group enjoys good brand equity and reputation in the Bengaluru real estate market. It has adopted sound strategies for development; the use of advanced aluminium formworks for construction ensures faster turnaround time and provides good quality finishes. Furthermore, projects are undertaken in-house, especially given the promoter's background as a civil contractor. Operations are managed by the departmental heads of each vertical; however, organisation-level decisions are centralised with the promoter.

Since its inception in 2003, GM Infinite has developed around 1.4 million square feet (sq ft) of area, which is average compared with the other developers graded by CRISIL; however, the grading is supported by the extensive experience of the group, which has developed around 23.0 million sq ft of space as a civil contractor. About 7.3 million sq ft of projects are currently being undertaken. Such aggressive ramp-up in project size will require robust scaling up of systems and processes, and strong checks and measures on construction activities to meet the possession timeline given to the customers. Financial risk profile is below average: networth was low and gearing high at Rs 33 crore and 6.7 times, respectively, as on March 31, 2018, and cash accrual was modest at Rs 3 crore in fiscal 2018.

About the Company

Established in 2003 by Mr Gulam Mustafa, GM Infinite has taken up large-scale residential projects in southern Bengaluru, mostly near the Electronic City.

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