



SMERA RATINGS LIMITED

Krrish Shalimar Projects Private Limited (KSPPL)

*Rating
Rationale*

March 16, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan	76.00	SMERA BB-/Stable (Reaffirmed)
Term Loan (Proposed)	44.00	SMERA BB-/Stable (Reaffirmed)

SMERA has reaffirmed the ratings of '**SMERA BB-' (read as SMERA double B minus)**' on the long-term rating of the Rs.120.00 crore bank facilities of Krrish Shalimar Projects Private Limited (KSPPL). The outlook is '**Stable**'. The rating continues to draw comfort from the company's experienced management and moderate level of bookings. However, the rating is constrained by the intense competition and ongoing slowdown in the real estate sector. SMERA also notes that the company has incurred net loss of Rs.0.51 crore in FY2014-15.

Update

'Ibiza', a residential project, spread across 11.39 acres of land in Surajkund, Faridabad comprises 266 units with total saleable area of 8.22 lakh sq. ft. KSPPL has completed ~78 per cent of the development work as on 30/11/2015 as compared to ~53 percent in the previous year.

Outlook - Stable

SMERA believes KSPPL will maintain a stable business risk profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the project is completed as per the scheduled timeline and generates steady cash flows from customer advances. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution and collection of customer advances, or in case of deterioration in the financial risk profile and liquidity position.

Rating Sensitivity Factors

- Timely completion of project
- Improvement in bookings

About the Company

KSPPL, incorporated in 2010, is a Delhi-based real estate company engaged in the development of integrated residential properties. It is promoted by Mr. Sanjay Seth, Mr. Khalid Masood, Mr. Rajesh Katyal and Mr. Amit Katyal.

For FY2014-15, KSPPL reported net loss of Rs.0.52 crore on operating income of Rs.126.24 crore. The company's net worth stood at Rs.42.75 crore (including unsecured loans of Rs. 29.11) as on March 31, 2015, as compared with Rs.42.24 (including unsecured loans of Rs. 29.11) crore a year earlier.

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Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Suman M National Sales Head – Emerging Corporate Group Tel No: 022 67141151 Cell: 9892306888 Email: suman.m@smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1317 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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