

April 06, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	9.00	SMERA B+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B+**' (**read as SMERA single B plus**) to the abovementioned bank facility of Narayan Developers (ND). The outlook is '**Stable**'. The rating is supported by the firm's experienced management. The rating also draws comfort from the strong project execution capability of the group. However, the rating is constrained by the firm's exposure to geographical concentration risk and intense competitive pressure.

ND, established in 2013, is a Surat-based partnership firm engaged in real estate development. ND benefits from its experienced management. The partners of the firm have around 10 years of experience in the real estate sector. ND is a part of the Narayan Group, which has successfully completed several real estate projects with total area of ~11.73 lakh sq. ft.

ND's projects are concentrated in the Surat region. The firm faces intense competition from several players in the real estate sector. Revenues from the firm's ongoing projects will be booked in FY2015-16. Any significant delay in project completion will have an adverse impact on the debt servicing ability of the firm.

### **Outlook: Stable**

SMERA believes ND will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the firm registers higher-than-expected cash flows from customer advances. The outlook may be revised to 'Negative' in case of deterioration in the firm's financial profile on account of delays in project execution, or in case the firm registers lower-than-expected cash flows from customer advances.

### **About the firm**

ND, established on January 22, 2013, is a Surat-based partnership firm promoted by Mr. Girish Tulsiyani, Mr. Jagdish Tujlsiyani, Mr. Sunil Patel, Mr. Manish Patel, Mr. Vikas Patel, Mr. Ashok Patel, Mr. Vinod Patel, Mr. Jayesh Patel and Mrs. Shilpa Shukla.

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.

ND undertakes real estate development. The firm is currently constructing a residential-cum-commercial complex (named 'Coral Heights') in Palanpore, Surat. The total built-up area of the project is 1.41 lakh sq. ft. The project cost is estimated at Rs.22.01 crore.

**Contact List:**

Media / Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President - Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 98208 02479 Email: <a href="mailto:antony.jose@smera.in">antony.jose@smera.in</a>	Santosh Iyer Associate Vice President - Operations Tel: +91-22-6714 1183 Email: <a href="mailto:santosh.iyer@smera.in">santosh.iyer@smera.in</a>	Tel: +91-22-6714 1170 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.