

**August 11, 2015**

| Facility | Amount (Rs. Crore) | Rating |
|-----------|-----------------------|---------------------------|
| Term Loan | 19.50 | SMERA B/Stable (Assigned) |

SMERA has assigned rating of '**SMERA B**' (read as **SMERA B**) to the Rs.19.50 crore bank facility of Advaita Homes (AH). The outlook is '**Stable**'. The rating is constrained by project implementation risk. The rating is also constrained by timely advances and equity infusion amidst intense competition from the ongoing project in the vicinity. However, the ratings draw comfort from the established operations and experienced management.

Outlook: Stable

SMERA believes AH will maintain a stable business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' if the firm generates steady cash flows as per anticipated customer advances from the bookings. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution or collections thereby creating pressure on liquidity.

Rating sensitivity factors

- Delay in execution of project
- Delay in customer advances
- Increase in Floor area ratio (FAR)

About the firm

Advaita Homes (formerly pratishta Associates), established in 2006, is a Chennai-based firm engaged in the real estate business and construction of a housing complex (named Blossom-1) in Kelambakkam, Chennai. The firm promoted by Mr. B. Masthan Rao, Mrs. B.V. Manjula and Mr. B. Manoj has already completed three residential projects in and around Chennai.

About the Project

Blossom-1 is a group housing complex in Kelambakkam, Chennai with 356 dwelling units (in six towers of four floors each). Till June 2015, around 10 per cent of the construction has been completed.

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SMERA RATINGS LIMITED

Advaita Homes (AH)

*Rating
Rationale*

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