



SMERA RATINGS LIMITED

Arcadia Realty Private Limited (ARPL)

*Rating
Rationale*

August 14, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan (Proposed)	22.00	SMERA B/Stable (Assigned)
Bank Guarantee (Proposed)	5.00	SMERA A4 (Assigned)

SMERA has assigned a rating of '**SMERA B**' (read as **SMERA B**) to the Rs.22.00 crore proposed long-term (fund based) bank facility and '**SMERA A4**' (read as **SMERA A four**) to the Rs.5.00 crore proposed short-term (non-fund based) bank facility of Arcadia Realty Private Limited (ARPL). The outlook is '**Stable**'. The ratings are constrained by the project implementation risk inherent in the upcoming commercial project and funding risk. However, the rating draws comfort from the company's experienced management.

ARPL, incorporated in 2013, is an Agra-based company promoted by Mr. Ram Avtar Agarwal, Mrs. Shashi Bala Agarwal and Mr. Anupam Agarwal. The company is setting up a commercial complex in Agra at an estimated cost of Rs.60.28 crore. This is likely to be funded through a term loan of ~Rs.22.00 crore, equity contribution of Rs.18.00 crore and advances from customers of ~Rs.20.28 crore. The company is exposed to significant project implementation risk. The construction of the commercial complex is at a nascent stage and the company has incurred ~Rs.6.00 crore (funded through equity capital) towards the project till March 2015. Also, the project is exposed to funding risk as the term loan is yet to be sanctioned.

However, ARPL is poised to benefit from its experienced management as the promoters have around two decades of experience in the real estate industry.

Outlook: Stable

SMERA believes ARPL will maintain a stable business risk profile over the medium term on the back of its experienced management. The outlook may be revised to 'Positive' in case the company implements the project according to the scheduled timeline and generates steady cash flows from customer advances. 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 company's financial risk profile and liquidity position.

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) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

Arcadia Realty Private Limited (ARPL)

*Rating
Rationale*

About the Company

ARPL, incorporated in 2013, is an Agra-based real estate company promoted by Mr. Ram Avtar Agarwal, Mrs. Shashi Bala Agarwal and Mr. Anupam Agarwal. The company undertakes development of residential and commercial properties. The net worth stood at Rs.3.51 crore (provisional) as on March 31, 2015.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91 9820802479 Email : antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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) for the latest information on any instrument rated by SMERA.