

September 02, 2015

| Facility | Amount (Rs. Crore) | Rating |
|-----------------------------------|-----------------------|------------------------------------|
| Fund Based Working Capital | 25.00 | SMERA BB-/Stable (Assigned) |

SMERA has assigned a rating of '**SMERA BB-**' (**read as SMERA double B minus**) to the above mentioned bank facility of Ghodawat Infra LLP (GIL). The outlook is '**Stable**'. The rating draws comfort from the firm's experienced management (several projects successfully executed in the past) and locational advantage of the project (close proximity to the Mumbai-Pune Expressway and an IT Park). The rating also draws comfort from the low funding risk and healthy cash flows from comfortable bookings and advances. However, the rating is constrained by risks associated with the execution of the ongoing project and saleability of the un-booked units. The rating notes that the firm is susceptible to the inherent cyclical and intense competition in the real estate sector.

Outlook: Stable

SMERA believes GIL will maintain a stable business risk profile over the medium term owing to the experience of the management. The outlook may be revised to 'Positive' in case the firm generates steady cash flows from operations driven by timely receipt of customer advances. However, the outlook may be revised to 'Negative' in case of stretch in the firm's liquidity position on account of delays in project execution or collection of booking money from customers.

Rating Sensitivity Factors

- Timely completion of the project
- Timely sale of units at envisaged price

About the Firm

Ghodawat Infra LLP (GIL) is a Pune-based partnership firm established in the year 2014. A joint venture between Ghodawat Group and Pate Group, GIL is promoted by Mr. Sanjay Ghodawat, Mrs. Neeta Sanjay Ghodawat and Mr. Nilesh Pate. Part of the Sanjay Ghodawat Group, the firm is engaged in developing residential and commercial property.

About the Project

GIL has currently undertaken the construction of Life Montage Phase I – a residential project in Sus, Pune - Maharashtra at an estimated cost of Rs.93.65 crore. The firm launched the project in June 2014 and has registered bookings for ~60 per cent of the total saleable area (of 3,07,474 sq. ft.). The expected completion date is September 2017.

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Contact List:

| Media/Business Development | Analytical Contact | Rating Desk |
|--|--|---|
| Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in | Pooja Ghosh Associate Vice President – Corporate Ratings Tel: +91-33-6620 1203 Email: pooja.ghosh@smera.in | Tel: +91-22-6714 1184 Email: ratingdesk@smera.in |

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