

June 03, 2014

| Facilities | Amount (Rs. Crore) | Rating |
|-------------------|---------------------------|----------------------------------|
| Term Loan | 50.00 | SMERA B/Stable (Assigned) |

SMERA has assigned a rating of '**SMERA B**' (**read as SMERA single B**) to the Rs.50.00 crore bank facilities of Aashiyana Promoters and Developers Pvt. Ltd. (APDPL). The outlook is '**Stable**'. The rating is constrained by delays in receipt of customer advances despite high level of bookings registered in the company's ongoing project. The rating is also constrained by the company's exposure to intense competition in the real estate sector. The rating factors in risks related to project saleability amidst slowdown in the real estate sector. However, the rating is supported by the company's experienced management. The rating is also supported by the advanced stage of execution of the company's ongoing project.

APDPL, incorporated in 2007, is a Noida-based real estate company engaged in construction of a group housing complex (named LA-Galaxia) in Gautam Budh Nagar, Uttar Pradesh. APDPL has completed ~77 per cent construction of the project; however, the company has received advances of only Rs.55.89 crore, as compared with total expected realization of Rs.191.51crore. APDPL faces intense competition from several ongoing residential projects in Greater Noida. The company is also exposed to significant project saleability risk on account of the current slowdown in the residential real estate sector.

APDPL benefits from its experienced management. The company's promoters have around two decades of experience in the real estate sector. APDPL's project is in the advanced stage of execution. The company had completed ~77 per cent of the project construction till April 2014.

Outlook: Stable

SMERA believes APDPL will maintain a stable business risk profile in the medium term on the back of its experienced management. The outlook may be revised to 'Positive' in case the company generates steady cash flows from customer advances. The outlook may be revised to 'Negative' in case of delays in project execution, or in case of liquidity pressure arising from delays in receipt of customer advances.

About the company

APDPL, incorporated in 2007, is a special purpose vehicle of the Delhi-based Newtech Group. APDPL is established to undertake construction of a group housing complex (named LA-Galaxia) in Gautam Budh Nagar, Uttar Pradesh.

About the project

LA-Galaxia is a group housing complex in Gautam Budh Nagar, Uttar Pradesh. The complex comprises 428 dwelling units (in seven towers of 18 floors each). APDPL has completed ~77 per cent of project construction till April 2014.

Contact List:

| Media / Business Development | Analytical Contacts | Rating Desk |
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