

Press Release

Shree Ram Ashiana Private Limited

May 23, 2017

Rating Downgraded

Total Bank Facilities Rated*	Rs.12.00 Cr
Long Term Rating	SMERA D (Downgraded from SMERA B+/Stable)

*Refer Annexure for details

Rating Rationale

SMERA has downgraded rating assigned to above mentioned bank facility of Shree Ram Ashiana Private Limited (SRAPL) to '**SMERA D (read as SMERA D)**' from '**SMERA B+ (read as SMERA B plus)**' on the Rs.12.00 crore bank facility of Shree Ram Ashiana Private Limited (SRAPL).

The Agra based, Shree Ram Ashiana Private Limited (SRAPL), incorporated in July 2008 by Mr. Mukesh Kumar Jain and Mr. Sunit Kumar Jain is engaged in constructing a residential township in and around Agra, Uttar Pradesh. The company has completed project named as Paras Pearls -1 comprises of 60 flats in a single tower, whose possession has already given. In 2014 the management undertook a new project named as Paras Pearls-2 in Agra, U.P, which was completed in Dec, 2016.

Rating downgrade takes into delays in servicing of debt obligations by the company.

List of Key Rating Drivers and their detailed description

Strengths:

Experience Management: The promoters Mr. Mukesh Kumar Jain and Mr. Sunit Kumar Jain have more than a decade of experience in same line of business. The company has completed its project named as Paras Pearls -1 comprises of 60 flats in a single tower, whose possession has already given.

Weaknesses:

Delays in Debt Servicing: The rating reflects delays in servicing of debt obligations by the company.

Time overrun in project: The scheduled completion for Paras Pearls I was July, 2016 but has been completed six months behind schedule in December 2016.

Analytical approach: SMERA has taken a standalone view of the financial and business risk profile of the company.

Applicable Criteria

- Infrastructure Entities - <https://www.smera.in/criteria-infra.htm>
- Application of Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

About the Project

SRAPL, management was completed its new project named as Paras Pearls-2 in Dec, 2016 which was started in 2014 in Agra, UP. The total project outlay was around Rs.36.00 crore, includes land cost of Rs.

6.54 crore, construction cost of Rs. 24.46 crore and other expenses of Rs. 5.00 crore. The company has taken term loan of Rs 12.00 crore from bank. Further, the company has no new project.

About the Rated Entity

SRAPL, an Agra-based real estate Company headed by Mr. Mukesh Jain and Mr. Sunit Jain is engaged in constructing a residential township in and around Agra, Uttar Pradesh. The promoters have developed a residential project in the name of Paras-II at Agra, Uttar Pradesh.

For FY2015-16, the net worth stood at Rs.8.20 crore as on March 31, 2016 as against Rs.7.70 crore in the previous year.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	FY 2017			FY 2016		FY 2015		FY 2014	
	Scale	Amt. (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Term Loan	LT	12.00	SMERA D (Downgraded from SMERA B+/Stable)	Nov 24, 2015	SMERA B+/Stable (Assigned)	-	-	-	-

*Annexure - Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	N.A	N.A	30 June, 2018	12.00	SMERA D (Downgraded from SMERA B+/Stable)

Note on complexity levels of the rated instrument:

<https://www.smerra.in/criteria-complexity-levels.htm>

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ABOUT SMERA

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