

December 23, 2015

| Facility | Amount (Rs. Crore) | Rating |
|-----------|-----------------------|----------------------------|
| Term Loan | 10.00 | SMERA B+/Stable (Assigned) |

SMERA has assigned a long-term rating of '**SMERA B+**' (**read as SMERA B plus**) to the Rs.10 crore bank facility of Farah Polysack Private Limited (FPPL). The outlook is '**Stable**'.

The rating draws comfort from the assured revenue visibility for the next 15 years, negligible administration expenses backed by extensive industry experience of the promoters. The rating also factors in the favourable terms of the lease agreement that assures rentals for the unexpired period in case of termination of the agreement. However, the rating is constrained by moderate financial risk profile.

Outlook: Stable

SMERA believes that the outlook will remain stable over the medium term on account of the experienced management. The outlook may be revised to 'Positive' in case the company generates adequate lease rental from the leased out property and makes timely payment of debt obligations. Conversely, the outlook may be revised to 'Negative' with inadequate accruals from leased property or deterioration in the financial risk profile or liquidity position.

Rating Sensitivity Factor

- Timely receipt of lease rental

About the Company

FPPL, incorporated in 1985 is into real estate development and constructs commercial buildings and residential complexes. It has entered into a long term lease agreement with Sri Bhagwan Mahaveer Education and Cultural Trust with effect from December, 2015. The minimum period for the lease is 15 years.

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Farah Polysack Private Limited (FPPL)

Rating
Rationale

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