

### Grand Pinkcity Infraprojects: Assigned

Facility	Amount (Rs. Crore)	Ratings/Outlook
Term Loan	5.85	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of **SMERA B (read as SMERA B)** to the abovementioned bank facility of Grand Pinkcity Infraprojects (GPI). The outlook is '**Stable**'.

The rating is constrained by the low quantum of bookings and exposure to implementation and offtake risk of the project. SMERA also takes note of the highly competitive real estate industry in Jaipur and the recent moderation in real estate prices. The rating is, however, supported by the experienced management and prime location of the project at Jawahar Circle, Jaipur. SMERA also takes note of the total capital of Rs.25.25 crore infused by the partners as on 31st March, 2016.

GPI is developing a super residential project in Jaipur. The firm has received bookings for only 23 per cent of the saleable area of 1,90,000 square feet upto 31 July, 2016 against total advances of Rs. 8.96 crore. Further, the firm's credit risk profile is also constrained by the intense competition in the real estate industry along with exposure to project specific risks. Oversupply and excessive unsold inventory exposes the firm to severe offtake and pricing risk. The firm's debt servicing ability may also be significantly affected by delays in project implementation.

However, the rating is supported by the over three decades of experience of the management in the real estate industry. The partners, Ajay Jain, Mr. Manju Loonia, Mr. N.K. Jain, Mr. Tarun Jain among others have successfully completed over 20 commercial and residential projects. The rating also factors in the firms synergies on account of its relationship with the Pinkcity consortium in Jaipur.

#### Outlook: Stable

SMERA believes that GPI will maintain a stable outlook in the medium term on account of its experienced management and continued financial support of the promoters. The outlook may be revised to 'Positive' in case of higher than expected advances received by the firm and timely completion of the project. Conversely, the outlook may be revised to 'Negative' in case of delays in completion of the project and lower than expected advances.

#### Rating Sensitivity Factors

- Timely completion of the project
- Advances received

#### About the Project

GPI is developing an 11 storeyed super-luxury residential project, 'Radiant Casa' consisting of three towers (66 flats) at Jawahar Circle, Jaipur. The total saleable area of the project is 1,90,000 square feet. Around 42 per cent of the construction (by cost) has been completed by 31st July, 2016.

The firm expects revenue of Rs.123.75 crore from the project which is expected to be completed by September, 2018.

### About the Firm

GPI, a partnership firm established in 2014 by Mr. Ajay Jain, Mr. Manju Loonia, Mr. N.K. Jain, Mr. Tarun Jain and others is engaged in the development of residential projects at Jaipur.

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### ABOUT SMERA

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