

Press Release

Arcedges Building India Llp

April 25, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 6.50 Cr.
Long Term Rating	SMERA B- / Outlook: Stable

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B-** (read as **SMERA B minus**)' on the Rs. 6.50 crore bank facilities of Arcedges Building India Llp. The outlook is '**Stable**'.

Arcedges Building India LLP (ABI) was incorporated in 2016 by Mr. Saurabh Shah, Mr. Ashok Shah, Mr. Sureshchandra Dudani and Mr. Dipesh Dudani. The firm is a steel infrastructure solutions company that manufactures pre-engineered structures and is also into fabrication of metal at Ahmedabad. It plans to set-up a manufacturing facility with capacity of 15000 MTPA for structured steel products.

Key Rating Drivers

Strengths

- **Experienced management**

The firm was promoted by Mr. Sureshchandra Dudani, Mr. Saurabh Shah, Mr. Ashok Shah and Mr. Dipen Dudani who possess more than a decades experience in the same line of business.

Weaknesses

- **Nascent stage of operations**

ABI, established in 2016 is expected to commence commercial operations from April 2017.

- **Partnership constitution**

The partnership constitution of the firm exposes it to the risk of capital withdrawal.

- **Exposure to intense competition**

The steel industry is highly fragmented with intense competition from a large number of players.

Analytical Approach

SMERA has considered the standalone financial and business risk profiles of Arcedges Building India LLP (ABI) to arrive at the rating.

Outlook: Stable

SMERA believes that the outlook on ABI's rated facilities will remain stable over the medium term on account of its experienced management. The outlook may be revised to 'Positive' if the firm is able to implement the project as per plan and generate revenues. Conversely, the outlook may be revised to 'Negative' in case of a delay in project implementation.

About the Rated Entity - Key Financials

Arcedges Building India LLP (ABI) was incorporated in 2016 by Mr. Saurabh Shah, Mr. Ashok Shah, Mr. Sureshchandra Dudani and Mr. Dipesh Dudani. The firm is a steel infrastructure solutions company that manufactures pre-engineered structures and is also into fabrication of metal at Ahmedabad. It plans to set-up a manufacturing facility with capacity of 15000 MTPA for structured steel products.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument<https://www.smera.in/criteria-complexity-levels.htm>**Rating History (Upto last three years)**

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	4.15	SMERA B- / Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	SMERA B- / Stable
Proposed	Not Applicable	Not Applicable	Not Applicable	0.35	SMERA B- / Stable

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