



Press Release
ALoud REALTY PRIVATE LIMITED
April 25, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	490.00	ACUITE BB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	490.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 490.00 Cr. proposed Non Convertible Debentures (NCD) of Aloud Realty Private Limited (ARPL). The outlook is '**Stable**'.

Rationale for rating assigned

The rating assigned takes into account the long-standing experience and established track record of promoter i.e Solitaire group for more than four decades in real estate business. The group has developed more than 5.84 million sq ft (msf) of residential and commercial spaces, majorly in Pune region. However, the rating is constrained by risks associated towards funding, implementation and demand for the project. Further, the rating also factors the susceptibility of company's operations towards inherent cyclicity in the real estate industry and regulatory risks associated with it.

About the Company

Incorporated in December 2023, ARPL is part of Pune based Solitaire group promoted by Mr. Ashok Dhanraj Chordia and Mr. Atul Ashok Chordia, engaged in development of real estate properties. The registered office of the company is in Wadgaon Sheri, Pune. Currently, the group along with Jairaj group (promoted by Jayant Hiralal Shah and Malav Jayant Shah) is developing a mix use project named Maha Trade Market (MTM) situated in Bibewadi, Pune which is having a total saleable area of 2.69 msf, consisting of retail space (~1.57 msf), residential (~0.72 msf), office space (~0.25 msf) and hotel (~0.15 msf). Jairaj group through its 2 entities Jairaj Realty LLP and Jairaj Realty Unit 9 LLP holds the land in the ratio of 22.4% and 77.6% respectively. These entities are in turn owned by Renozo Developers LLP (34%, development partner for MTM, part of Solitaire Group), Jayant Hiralal Shah (32.5%) and Malav Jayant Shah (32.5%). The current stake of Renozo Developers LLP in the entities will be transferred to ARPL, who will issue the proposed NCDs. The current directors of the company are Mr. Ayush Janwar and Mr. Sumit Ramesh Diwane.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of ARPL to arrive at the rating. Further, the project cost has been considered only with respect to the retail and residential part as the other portions are at nascent stages of planning.

Key Rating Drivers

Strengths

Experienced promoters with established track record of operations of group in the industry

Solitaire group, promoted by Mr. Ashok Chordia and Mr. Atul Chordia, has an experience of almost four decades in industry. The group has an established track record of operations in construction of affordable housing, premium housing and commercial projects across Pune, Maharashtra with a total developed and sold area of ~5.84 msf. Further, the group also enjoys the established presence in the rising real estate market of the city, which will help in the saleability of the projects under the construction.

Weaknesses

Significant Project Risk

The project is being constructed at a cost of Rs.1,818.1 Cr (includes Rs 1,357.2 Cr for retail and Rs 460.9 Cr for residential portions) to be funded through equity infusions of Rs 186.6 Cr, debt of Rs 490.0 Cr and balance through customer advances of Rs 1,141.5 Cr. Further, of the proposed NCD of Rs 490 Cr, Rs 90 Cr shall be utilised towards repayment of existing debt (outstanding of Rs 161 Cr as on December 31, 2024) and balance towards project development. Also, while the promoters have infused Rs 106.7 Cr till December 31, 2024, of the balance infusion of Rs 80 Cr, Rs 71 Cr shall be utilised towards repayment of existing debt. Therefore, the funding risk remain high as majority of the project development is dependent on customer advances.

On the retail implementation front, nearly 56% of the construction has been completed till December 31, 2024, and targeted completion is of December 2025. Further, while it has sold 43.77% of retail portion of till December 31, 2024, the sales traction has been low for past few months. Additionally, RERA approval other parts of the projects, i.e. residential, office and hotel is yet to be obtained. Therefore, the implementation and demand risk remain high.

Acuité believes that the timely completion of the project without cost overruns coupled with receipt of adequate customer advances will be a key rating sensitivity.

Susceptibility to real estate cyclical, regulatory risks and intense competition in the industry

The real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. Given the high level of financial leverage, the high cost of borrowing prevents the real estate's developers' from significantly reducing prices to boost sales growth. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players. Furthermore, the group would continue to remain exposed to intense competition from larger players in region.

Rating Sensitivities

- On-time completion of project without cost overruns
- Adequate realization of its customer advances
- Significant changes in regulations affecting demand and prices
- Timely receipt of approvals for the residential, hotel and office portions

All Covenants

1. Pledge of shares of Issuer
2. Hypothecation of 100% project cash flows.
3. Pledge of 100% partnership interest of Landowner/ Developer entities (Jairaj Realty LLP & Jairaj Realty Unit 9 LLP)
4. Corporate Guarantees of Landowner/ Developer entities (Jairaj Realty LLP & Jairaj Realty Unit 9 LLP)

Liquidity Position

Adequate

The liquidity profile of the project MTM is marked adequate, backed by the sold receivables from the project (Rs.484.4 Cr), additional borrowings which the company is to raise in the form of NCD (Rs.490 Cr) and equity infusions (Rs 80 Cr). Moreover, the liquidity will be further supported by the incremental sales the company proposes to make after the completion of the retail part of the project. Further, as per the proposed term sheet the company will receive a moratorium of 8 quarters from the date of the first disbursement which will also provide relief to the company in managing cashflows.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials :

The company was incorporated on July 18, 2023 and had no operations till FY25

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

None

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	450.00	Simple	ACUITÉ BB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITÉ BB- Stable Assigned

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About Acuité Ratings & Research

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