

FEBRUARY 23, 2015

CARE REAFFIRMS RATINGS ASSIGNED TO BANK FACILITIES OF ASHIANA LANDCRAFT REALTY PVT LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Non-convertible Debentures-I	180	CARE BB- [Double B Minus]	Reaffirmed
Non-convertible Debentures-II	29.01	CARE BB- [Double B Minus]	Reaffirmed
Total Facilities	209.01		

Rating Rationale

The rating for non-convertible debentures of Ashiana Landcraft Realty Pvt Ltd (ALR) continues to be constrained by the nascent stage of the project leading to execution risk, partial financial closure of debt and slow demand off-take of the project. The rating, however, derives strength from the experienced promoters of ALR with their established track record and recognised brand name in the NCR region. Going forward, the timely execution and saleability of the project along with timely recovery of receipt/advances from the customers would be the key rating sensitivities.

Background

Incorporated in 2012, ALR is a joint development between Ashiana Homes Pvt Ltd (AHPL) and Landcraft Developers Pvt Ltd (LDPL) formed solely for a premium real estate residential project development, namely, 'The Center Court' located at Sector 88A, Gurgaon.

LDPL is the real estate vertical of the Garg group with presence in Ghaziabad. The company has developed more than 20.73 lsf of area with seven residential projects and one commercial completed project in Ghaziabad. Also, the company has seven ongoing projects in Ghaziabad with a total saleable area of 24.20 lsf with operations spanning across residential, commercial, retail and hospitality sectors.

AHPL is a real estate developer with a presence mostly in North India (especially NCR) and has developed more than 28.51 lsf of area and three ongoing projects with a total saleable area of 29.40 lsf located in UP, Odisha and Jaipur, Rajasthan.

Indiareit, the real estate private equity arm of the Piramal group has invested Rs.100 crore, and financial services company, India Infoline Ltd.(IIFL), has invested Rs.80 crore in ALR.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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CIN - L67190MH1993PLC071691