

June 15, 2010

**CARE ASSIGNS 'CARE C' RATING TO THE BANK FACILITIES
OF RATNABHUMI DEVELOPERS PVT. LTD.
(FORMERLY KNOWN AS 'NAVRATNA C.G. ROAD PROPERTIES PVT. LTD)**

Rating Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Term Loan	50.00	'CARE C' (Single C)	Assigned
Total Facilities	50.00		

Rating Rationale

The rating is mainly constrained by high financial risk due to largely debt funded project, significant delay in project implementation together with shorter repayment period and history of delays in interest servicing during the construction phase. The effect of economic downturn on real estate sector, over supply of similar office/retail space in nearby project location and high dependence on future sale of space for the repayment of term loan further constrain the rating. Successful and timely completion of the project and timely sales of shops/office space at envisaged price to ensure timely debt servicing will remain key rating sensitivities.

Company Profile

Ratnabhumi Developers Pvt. Ltd. (RDPL), is a Special Purpose Vehicle (SPV) of Ratna group of Ahmedabad, promoted by two brothers Mr. Mahendra Shah and Mr. Jitendra Shah having more than 30 years of experience in the real estate sector. Under this project named - 'Turquoise', RDPL plans to construct a 1,67,391 sq.ft. integrated commercial complex of 12 blocks consisting 60 units mainly catering to the retail/commercial segment (of which 24 are proposed to be sold as retail shops while the remaining 36 as office space). The project also has the flexibility of offering 4 of the 12 blocks as independent corporate houses. The estimated project debt equity is 1.67 times for the total project cost of Rs.80 crore. The project was estimated to be completed by Mar.2010. However, the implementation of the same has got delayed and is now expected to get completed by the end of Q2FY11.

Analyst Contact

Name: Deepak Prajapati

Tel # 079 - 40265608

Mobile # 9099028864

Email: deepak.prajapati@careratings.com

CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹Complete definition of the ratings assigned are available at www.careratings.com....

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat NagarHyderabad - 500 029 Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>