

July 20, 2010

**CARE ASSIGNS 'CARE BBB' RATING TO THE BANK FACILITIES OF RIDDHI SIDDHI MALL MANAGEMENT PVT LTD.**

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	37.50	'CARE BBB' (Triple B)	Assigned
<b>Total Facilities</b>	<b>37.50</b>		

**Rating Rationale**

The rating derives strength from the established track record of the promoters, continuous support from the promoters in the form of funds being infused as unsecured loans, locational advantage of the proposed structure, leasing of retail space (comprising 61% of the entire space) to Pantaloon Retail India Ltd (PRIL) on revenue-sharing basis with minimum guarantee and partial sale of commercial premises (comprising 18% of the entire space).

The rating is however constrained by high debt-funded capex, moderate debt protection indicators and volatility associated with lease income (as the existing agreement is on revenue sharing).

Further, adequacy of cash accruals as envisaged and timely sale/lease of balance commercial space are the key rating sensitivities.

**Company Profile**

RSMMP was incorporated on May 19, 2006 to carry on the business of acquiring, developing, selling, leasing and commercially using real estate and properties of all nature. The company is a 50:50 JV between Future Realtors India Private Limited and Keventer Fresh Ltd., who have well-known presence and established track record in retail, real-estate development and construction industry.

RSMMP has developed Sealdah Commercial Complex at Kolkata into a mall with commercial retail and office space over a total built-up area of around 1.33 lakh sq ft (carpet area – 1.20 lakh sq ft). The company got the land and structure from Kolkata Metropolitan Development Authority (KMDA) in November 2007 on a 99-year lease. The company has completed the project on April 18, 2010 at a total cost of Rs.61.20 crore funded through mix of debt-equity of 3.90x. Further RSMMP has leased a part of property to PRIL and entered into MOU for another part of the property to Bajaj Allianz General Insurance Company Limited.

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<sup>1</sup>“Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications”.

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