



3 K Prime Properties

Rating History

Instrument	Amount Rated	Rating Action
Cash Credit	Rs. 8.50 Cr.	[ICRA]BB (stable) assigned

A rating of [ICRA]BB (pronounced ICRA double B) has been assigned to the Rs. 8.50 Cr.¹ cash credit facility of 3 K Prime Properties (3KPP)^{*}. The outlook for the rating is stable.

The assigned ratings are constrained by the absence of track record of the firm, though the promoter has executed real estate projects in Surat under separate firms; significant execution risk with the project being in early stage of construction with completion expected only by Sep 2013; exposure of firm to sectoral concentration risk arising from focus on residential projects. The rating also takes into account the funding risk due to the debt funded nature of capex for the projects, vulnerability of profitability to variations in steel and cement prices and cyclical nature of the real estate sector. While assigning the ratings, ICRA has also noted the risks that are inherent in proprietorship firms.

The ratings however favourably factor in the experience of promoter in real estate development, particularly in residential segment and satisfactory credit history indicated by prepayment in few of the earlier facilities availed from the bank. The rating also takes into account favourable location of the project that is expected to result in considerable bookings and revenue visibility over the medium term and significant land bank holdings of promoters in Surat and nearby places.

Company Profile

3 K Prime Properties (3KPP) was incorporated in the year 2009 and is engaged in construction of residential apartments and commercial properties. The firm is based in Surat, Gujarat and is currently focussing on execution of residential projects in the Surat city. The firm is promoted by Mr. Kishorebhai Kheni and is a part of the Vatika group of Surat. Vatika group, in the past, has successfully completed a number of projects in Surat and currently also operates a school under the name of 'Alchemy School'. The school is managed by Shri Navchetan Education & Charitable Trust and the promoter is one of the trustees of the same.

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For further details please contact:

Analyst Contacts:

Mr. K. Ravichandran (Tel. No. +91 44 4596 4301)
ravichandran@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar (Tel. No. +91 22 3047 0005)
shivakumar@icraindia.com

¹ 100 lakh = 1 Cr. = 10 million

^{*} For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**Mobile: **9871221122**Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91-124-4545350

Mumbai**Mr. L. Shivakumar**Mobile: **91-22-30470005/9821086490**Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Ph : +91-22-2433 1046/ 1053/ 1062/ 1074/ 1086/ 1087
Fax : +91-22-2433 1390

Kolkata**Ms. Anuradha Ray**Mobile: **91-33-22813158/9831086462**Email: anuradha@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna, 234/ 3A, A.J.C. Bose
Road, Kolkata-700020.
Tel: +91-33-2287 6617/ 8839/ 2280 0008
Fax: +91-33-2287 0728

Chennai**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre, 498 Anna Salai, Nandanam,
Chennai-600035.
Tel: +91-44-2433 3293/ 94, 2434 0043/ 9659/ 8080, 2433
0724, Fax:91-44-24343663

Bangalore**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

2 nd Floor. ,Vayudhoot Chambers, Trinity Circle, 15-16
M.G.Road, Bangalore-560001.
Tel:91-80-25597401/ 4049 Fax:91-80-25594065

Ahmedabad**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585494, 26582008,26585049, 26584924
TeleFax:+91-79- 2648 4924

Pune**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills
Road, Shivajinagar,Pune-411 020
Tel : (91 20) 2556 1194 -96; Fax : (91 20) 2556 1231

Hyderabad**Mr. M.S.K. Aditya**Mobile: **9963253777**Email: adityamsk@icraindia.com

301, CONCOURSE, 3rd Floor, No. 7-1-58, Ameerpet,
Hyderabad 500 016.
Tel: +91-40-2373 5061 /7251 Fax: +91-40- 2373 5152