

August 07, 2020

Sunguard Builders Llp: Rating reaffirmed and withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loan	49.25	49.25	[ICRA]BBB- (Stable); reaffirmed and withdrawn
Total	49.25	49.25	

[^]Instrument details are provided in Annexure-1

Rationale

The outstanding rating of [ICRA]BBB- (Stable) on Rs. 49.25-crore bank lines has been withdrawn. The rating has been withdrawn in accordance with ICRA's policy on withdrawal and suspension, and as desired by the company on receipt of no objection certificate from the lending bank.

Key rating drivers and their description

Key rating drivers have not been captured for the rating withdrawal.

Liquidity position: Not applicable

Rating sensitivities: Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	ICRA has taken consolidated view of four companies of the Pride Purple Group, namely, Pride Purple Properties, Pride Purple Landmark LLP, Pride Purple Infrastructure and Sunguard Builders LLP, based on the strong operational and financial linkages between the group entities and their common management group.

About the company

Pride group, operating under the management of Mr. Arvind Jain, has been involved in real estate operations for over 25 years and has so far executed projects with over 10.0 million square feet (msf) of saleable area spread across residential and commercial development.

Sunguard Builders Llp, incorporated in 2002, is involved in the development and sale of real estate projects and is part of Pune based Pride-Purple Group. The firm is currently executing a residential real estate project named 'Park Ivory FGH'. The project is located at Wakad, Pune and has sold 39% of the total 0.29 msft of saleable area. The other projects under development by the Group are 'Park Landmark EF' and 'Park Titanium H'.

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Key financial indicators (audited):

	FY2018	FY2019
Operating Income (Rs. crore)	214.4	11.4
PAT (Rs. crore)	51.5	3.1
OPBDIT/OI (%)	37.9%	89.1%
RoCE (%)	85.7%	10.3%
Total Outside Liabilities/Tangible Net Worth (times)	1.5	1.6
Total Debt/OPBDIT (times)	0.8	4.2
Interest Coverage	11.0	1.5
DSCR	8.0	1.5

Source: Sunguard Builders Llp

Status of non-cooperation with previous CRA: None

Any other information: None

Rating history for last three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					7-Aug-2020	22-May-2019	-	-
1	Term Loan	Long Term	49.25	10.20**	[ICRA]BBB-(Stable); Withdrawn	[ICRA]BBB-(Stable)	-	-

Amount in Rs. crore; ** debt as on June 30, 2020

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan 1	27-Feb-17	-	27-Feb-22	49.25	[ICRA]BBB-(Stable); Withdrawn

Source: Sunguard Builders LLP

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Pride Purple Properties	Group Company	Full Consolidation
Pride Purple Landmark LLP	Group Company	Full Consolidation
Pride Purple Infrastructure	Group Company	Full Consolidation
Sunguard Builders LLP	Group Company	Full Consolidation

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