

Sunworld Residency Pvt. Ltd.

Instrument	Amount Rated	Rating Action
	In Rs. Crore	As on June'16
Fund-Based Facility	90.0	[ICRA]BB(Stable); Reaffirmed
Total	90.0	

ICRA has reaffirmed its long-term rating of [ICRA]BB (pronounced ICRA double B) on the Rs 90-crore¹ bank facilities of Sunworld Residency Pvt. Ltd. (SRPL). The long-term rating has a 'Stable' outlook.

The rating derives comfort from the near completion stage of the phase I of the company's ongoing project Sunworld Arista and the healthy collection efficiency, backed by the marketing of units under various payment schemes, including interest subvention. This apart, the steady execution progress has helped the company achieve regular bookings over the last one year. ICRA's rating, however, remains constrained on account of the continued execution risk, given that the scope of the project has increased now and the same remains in the approval stage to launch the additional floor area ratio purchased. Hence, the company's committed receivable to payable ratio remains moderate at 0.49 times as on March 2016, which renders it dependent on additional bookings and collections

ICRA notes that the company has applied for additional debt sanction for the additional scope. Further, while deferment of the repayments by a year provides cushion to the company's cash flow, substantial repayments in FY2018 warrant a healthy ramp up in collections. Going forward, the timely approval of a new scope, along with the debt tie-up and its associated terms and also the company's ability to generate additional bookings, collect advances and execute the project as planned, will be the key rating sensitivities.

Company Profile

SRPL is a part of the Sunworld Group, which was started in 2008 and promoted by five friends who have interest in LPG cylinder manufacturing, construction business, pharmaceutical contract manufacturing, education etc. The first project of the group – Sunworld Vanalika – is a residential housing project and is located in Sector 107, Noida, Uttar Pradesh. The project was launched in March, 2011 under a separate special purpose vehicle (SPV). The second project of the group was also a residential housing project and was launched in December, 2011 under SRPL. This project is located in Sector 168, Noida, Uttar Pradesh. It consists of a total of ten towers and a saleable area of ~21 lakh square feet. The project is being developed at a total cost of ~Rs 725 crore. As of March, 2016, ~79% of the construction cost has been incurred and ~39% of the area has been sold.

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¹ For complete rating and definitions please refer to ICRA's website www.icra.in or any of the ICRA Rating Publication



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