

## Windsor Edifices Private Limited

December 15, 2017

### Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based-Term Loan	50.0	50.0	[ICRA]D; Revised from [ICRA]BB- (Stable)
<b>Total</b>	<b>50.0</b>	<b>50.0</b>	

### Rating action

ICRA has downgraded the long-term rating to [ICRA]D (pronounced ICRA D) from [ICRA]BB- (pronounced ICRA double B minus) for the Rs. 50.0-crore<sup>1</sup> term loan facility of Windsor Edifice Private Limited (WEPL or the company)<sup>2</sup>.

### Rationale

The rating downgrade takes into account the recent delays in servicing the interest payment obligations by the company on account of its stretched liquidity position. The slow sales velocity and weak collection efficiency for the only ongoing project, Windsor Troika, has resulted in stretched cash flow position and increased reliance on funding support from promoters.

### Key rating drivers

#### Credit strengths

**Part of Windsor group which has an established track record of execution and brand recognition is South Bengaluru real estate market** - Incorporated in 2010, Windsor Edifices Private Limited (WEPL) is part of the Windsor group. The group has a track record of over fifteen years in the Bengaluru real estate space. The group has executed seven residential and one commercial project encompassing ~1.27 million square feet of constructed area.

#### Credit weaknesses

**Stretched liquidity profile resulting in delays in debt servicing-** The company has delayed in meeting its debt servicing obligations owing to weak sales velocity in its ongoing project, Windsor Troika, and its inability to monetize the land asset as was envisaged at the time of the last rating exercise.

**Exposure to inherent cyclicity in the real-estate industry coupled with prevailing weak macro-economic scenario:** Operating in a cyclical industry, the company's fortune is highly dependent on macro-economic factors which make its sales vulnerable to any downturn in the real-estate demand and the competition within the region from various established developers.

**Analytical approach:** For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

#### Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[Policy on Default Recognition](#)

[Rating Methodology-Real estate entities](#)

#### About the company:

Windsor Edifices Private Limited (WEPL), is part of the Bangalore based Windsor Group, which is engaged in the business of real estate development. The company is held by Windsor Gardens Private Limited (16.97%), Mr. MSRV Prasad (35.88%), Mr. MJ Patel (35.88%) and Mrs. M Rajyalakshmi (11.26%). The company was incorporated in 2010 with its registered office at Bangalore and was set up for the purpose of developing a residential project –Windsor Troika in Begur Road, Off Bannerghatta Road, Bangalore. The project will consist of two towers, each comprising G+18 floors with 286 residential units. In addition, another tower comprising G + 5 floors shall be developed which would house car parking, club house, gymnasium etc. The total cost of construction of the project has been estimated at Rs. 127.27 crores, which is proposed to be financed with a mix of term loan facility of Rs. 50.00 crores, core equity component of Rs. 18.61 crores, quasi equity in the form of unsecured loan amounting to Rs. 13.21 crores and customer advances of Rs. 45.45 crores.

#### Key Financial Indicators (Audited)

	FY 2015	FY 2016
Operating Income (Rs. crore)	-	-
PAT (Rs. crore)	-	-
OPBDIT/ OI (%)	-	-
RoCE (%)	-	-
Total Debt/ TNW (times)	3.6	1.9
Total Debt/ OPBDIT (times)	-	-
Interest coverage (times)	-	-
NWC/ OI (%)	-	-

Note: The Company was established in 2010 and they have only one ongoing project Windsor Troika for which they have not started bookings revenues till FY2016.

#### Status of non-cooperation with previous CRA: Not applicable

#### Any other information: None

### Rating history for last three years:

Current Rating (FY2018)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating Dec 2017	Date & Rating in FY2017	Date & Rating in FY2016	Date & Rating in FY2015
1 Term Loan	Long Term	50.00	50.0	[ICRA]D	[ICRA]BB-(Stable)	[ICRA]BB (Stable)	-

### 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](http://www.icra.in)

### Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	March-2015	NA	FY2019	50.0	[ICRA]D

Source: Windsor Edifices Private Limited

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