

January 30, 2016

Facilities	Amount (Rs. Crore)	Ratings
Bank Guarantee*	25.00	SMERA A4 (Reaffirmed)
Letter of Credit	5.00	SMERA A4 (Assigned)
Cash Credit (Proposed)	20.00 (reduced from Rs.25.00 crore)	SMERA B/Stable (Reaffirmed)

**sublimit of overdraft of Rs.15.00 crore and Buyer's Credit of Rs.5.00 crore*

SMERA has reaffirmed the ratings of '**SMERA A4**' (read as **SMERA A four**) and '**SMERA B**' (read as **SMERA B**) on the Rs.45 crore bank facilities and assigned rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs.5.00 crore bank facility of Sashwat Construwell Private Limited (SCPL). The outlook is '**Stable**'. The ratings are constrained by project execution risk (since the project is in its initial stages of construction), intense competition from other projects in the vicinity and inherent risks in the real estate sector. However, the ratings draw support from the experienced management, the established 'Bhoomi' brand, promoter's funding ability and minimal bank borrowings of the group.

Update

The rating has been reaffirmed due to the status quo maintained by the group in terms of customer advances and project construction. There have been no material changes in the project which is still under construction. The bank facilities are still proposed and the expected date of completion of the project is December, 2019.

Outlook: Stable

SMERA believes SCPL will maintain a stable business risk profile in the medium term owing to the promoters' extensive industry experience. The outlook may be revised to 'Positive' if the company executes the project on time and generates steady cash flows as per anticipated customer advances from bookings. Conversely, the outlook may be revised to 'Negative' in case of delays in executing the project or in collections from bookings thereby creating pressure on liquidity.

Rating Sensitivity Factors

- Completion of project on schedule and saleability
- Receipt of customer advances

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About the Company

Sashwat Construwell Private Limited (SCPL) incorporated in 1997, is a Mumbai-based real estate company promoted by Mr Mehta, Mr Doshi and family. The company is engaged in the development of Bhoomi Celestia, a premium residential building at Malad West, Mumbai.

For FY2014-15, SCPL reported profit after tax (PAT) of Rs.1.10 crore on operating income of Rs.1.69 crore as compared with PAT of Rs.1.36 crore on operating income of Rs.1.57 crore for FY2013-14.

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