

Press Release

M/s. Funsign Housing Private Limited (FHPL)

March 31, 2018

Rating Assigned



Total Bank Facilities Rated *	Rs. 7.35 crore
Long Term Rating	SMERA B+/ Outlook: Stable

* Refer Annexure for details

Rating Rationale

SMERA has assigned long term rating of '**SMERA B+** (read as SMERA B plus) on the Rs. 7.35 crore bank facilities of M/s. Funsign Housing Private Limited. The outlook is '**Stable**'.

M/s. Funsign Housing Pvt Ltd (FHPL) is a Mumbai-based real estate company established in 2000 by Mr. Anil Shantaram Khoje, Mr. Pramod Vishnu Kasar and others.

The company has undertaken construction of Saily Enclave, a seven-storey building, with 28 flats at Malad, Mumbai (1BHK). The saleable area is 10511 square feet.

Key rating drivers

Strengths

Experienced promoters

Mr. Anil Shantaram Khoje and Mr. Pramod Vishnu Kasar possess extensive experience in the development of residential property.

Low funding risk

Development of 'Saily Enclave', a residential project is underway since October, 2016 at a total cost of Rs. 12.46 crore. The total project cost of Rs.12.46 crore is to be funded by promoters contribution of Rs. 2.5 crore, term loan of Rs. 7.35 crore and advance from customers of Rs. 2.61 crore.

Weaknesses

Initial stage of project

Construction work on the Saily Enclave project commenced in October 2016 and is expected to be completed by December 2019. The company incurred ~40 percent cost as on March, 2017. The project cost incurred is Rs. 5.49 crore as on March, 2017.

Inherent cyclical in the construction sector

The real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region specific presence. The risks associated with the real estate industry are cyclical in nature.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of FHPL to arrive at the rating.

Outlook- Stable

SMERA believes that the company will maintain a 'Stable' outlook in the medium term on account of its experienced management. The outlook may be revised to 'Positive' if the company generates steady cash flows as per anticipated customer advances from bookings. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution or the collections from bookings getting delayed, creating pressure on liquidity.

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Infrastructure Entity - <https://www.smera.in/criteria-infra.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History

Not Applicable

***Annexure - Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	7.35	SMERA B+ / Stable

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