



**Press Release**  
**Everest Nisarg Greenland Developers Private Limited**  
**November 09, 2023**

**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Non Convertible Debentures (NCD)</b>	180.00	ACUITE B+   Stable   Assigned   Provisional To Final	-
<b>Non Convertible Debentures (NCD)</b>	165.00	ACUITE B+   Stable   Reaffirmed	-
<b>Non Convertible Debentures (NCD)</b>	175.00	Provisional   ACUITE B+   Stable   Reaffirmed	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	520.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs.165.00 Cr. of Everest Nisarg Greenland Developers Private Limited (ENGDP). The outlook is 'Stable'.

Acuite has converted and assigned its long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs.180.00 Cr. of Everest Nisarg Greenland Developers Private Limited (ENGDP) on receipt of the final term sheet and confirmation from trustee regarding the compliance with all the terms and conditions. The outlook is 'Stable'.

Acuite has reaffirmed its long term rating of 'Provisional **ACUITE B+**' (read as **Provisional ACUITE B plus**) on the Rs.175.00 Cr. of Everest Nisarg Greenland Developers Private Limited (ENGDP). The outlook is 'Stable'.

The rating on the proposed Rs. 175 Cr. NCDs is provisional and the final rating is subject to the following documentation requirements:

- Receipt of the executed trust deed
- Receipt of the final term sheet and confirmation from trustee regarding the compliance with all the terms and conditions
- Legal opinion on the transaction, if applicable

**Reason for rating assigned**

The rating reaffirmation also takes into account the extensive experience of the promoters in the real estate industry especially Navi Mumbai region. Furthermore, each promoter of the company has their own established group company and has presence in the real estate market. Furthermore, the company has obtained the necessary approvals for Vashi project on time including RERA certification and launch of project. The construction of the Vashi project has also commenced from September 2023. Furthermore, the company has successfully acquired the land for Ghansoli project and issued the second round of NCDs during August 2023. However, till date there have been no sales booking and collection

advances from any customers for any of the projects. The rating is also constrained by project execution & implementation risk along with funding risk as both the projects under the company is still in a very early stage. And the rating also factors in the inherent cyclicity in

## About the Company

Everest Nisarg Greenland Developers Private Limited (ENGDP) was incorporated in 2008 and has registered office located in Mumbai. The company is engaged in development and construction of residential/ commercial properties especially in the Navi Mumbai region. The company is an SPV promoted by five promoters namely Mr. Yogesh Popatlal Thakkar, Mr. Dineshkumar Murlidhar Pasoria, Mr. Ganesh Valji Vaid, Mr. Mahadev Pragji Gothi and Mr. Murji Bhanji Gami. The company is acting as an investing partner for TPV Ventures LLP (TVL) and owns 99% in the same. TVL is an SPV promoted by the same five promoters. TVL presently owns title for two upcoming projects in Vashi and Ghansoli.

## Unsupported Rating

Not Applicable

## Analytical Approach

Acuite has considered the standalone business and financial risk profile of Everest Nisarg Greenland Developers Private Limited while arriving at the rating.

## Key Rating Drivers

### Strengths

#### **Well experienced promoters having established presence in the real estate industry**

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All the regulatory approvals for the Vashi project have been obtained by the company including RERA registration. The company has launched the project in September 2023 and the bookings are expected from November 2023. The construction of the project has started on September 2023. Furthermore, the land acquisition is also completed for the Ghansoli project in September 2023 and the construction is expected to get started on Jan 2024. The LOI is in process for the Ghansoli project. The expected completion for the Vashi Project is Feb 2027 and Ghansoli for Dec 2027.

Acuite believes that the company will continue to receive benefits from the well experience promoters having established presence in the real estate industry.

### Weaknesses

#### **Projects are at a very nascent stage**

The two projects for which the company is acting as an investing partner is at a very nascent stage. The construction of Vashi project started and it was launched in September 2023 after receiving necessary approvals with a delay of one month without any cost escalations. However, no bookings have commenced as on date. Furthermore, the construction of

Ghansoli project has not yet started, however the company has completed the acquisition of the land for the project and the construction is expected to start in January 2024. The expected completion for the Vashi Project is Feb 2027 and Ghansoli for Dec 2027.

### **Funding Risk**

The total estimated project cost for Vashi project is Rs.697.98 Cr. and Ghansoli project is Rs.865.47 Cr. The promoters have infused Rs.194.17 Cr. in Vashi Project and Rs.308.79 Cr in Ghansoli Project as on 30 Sep 2023. The company is proposing to raise funds via NCDs to the tune of Rs.520 Cr. for the both projects. On the same, the company have issued two rounds of NCDs to the tune of Rs.165 unlisted and fresh Rs.180 Cr. of listed NCDs which are utilised towards acquisition of land and other activities for both the projects. The final and third tranche of NCDs is expected to be issued in multiple tranches going forward. The company have not done any bookings till date for both the project. However, as the construction for Vashi project has started, bookings are expected to come in from Nov 2023. For Ghansoli project, the construction is expected from Jan 2024 and bookings are also expected from the same time. The funding risk is mitigated to some extent as the promoters are high net worth individual and promoter companies have secured funding on time for their other projects.

### **Completion Risk**

The construction for Vashi project has started in September 2023 and for Ghansoli it is expected to start in Jan 2024. The projects are expected to get completed by Feb 2027 and Dec 2027. Therefore, any delay in completion of the project may led to cost and time overruns.

### **ESG Factors Relevant for Rating**

Employee health & safety management is of primary importance to the construction industry given the nature of operations. Additionally, product quality and safety are of utmost significance. Human rights concerns such as forced labor are crucial considering the exploitative industry practices. Furthermore, responsible procurement and community relations are key influencing factors. The inherent material risk to the construction industry includes releasing toxic greenhouse gases and delivering a green building structure by utilizing clean technology. Factors such as ethical business practices, legal and regulatory compliance hold utmost significance in the construction industry, considering the frequency of litigations. Other issues include management compensation and Board oversight.

### **Rating Sensitivities**

- A successful completion of project without time and cost overruns
- Commencement of sales of flats in timely manner
- Stable cash inflows from sales booking

### **All Covenants**

Not Applicable

### **Liquidity Position Stretched**

The company's liquidity position is stretched as the sales for the projects have not yet started and the cashflows will be depending on the bookings done and collections to be received. Furthermore, the projects are at a very early stage and the construction has not started yet and the completion of the project on time will depend on the advances from customers.

### **Outlook: Stable**

Acuité believes that the outlook on company's rated facilities will remain stable over the medium term on account of experience of the promoters in the real estate domain. The

outlook may be revised to 'Positive' in case of improvement in cash flow and sales traction. Conversely, the outlook may be revised to 'Negative' in case of any undue delay in the completion of project, or less-than expected customer advances leading to stretch in its liquidity position.

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(1.14)	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	(149.82)	0.02
PBDIT/Interest	Times	0.78	0.00

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

Not Applicable

## Any other information

### Supplementary disclosures for Provisional Ratings

#### A. Risks associated with the provisional nature of the credit rating

1. Lack of third party monitoring of compliance in absence of executed trust deed and no finalized terms in absence of final term sheet
2. In case there are material changes in the terms of the transaction after the initial assignment of the provisional rating and post the completion of the issuance (corresponding to the part that has been issued) Acuite will withdraw the existing provisional rating and concurrently, assign a fresh final rating in the same press release, basis the revised terms of the transaction.

#### B. Rating that would have been assigned in absence of the pending steps/ documentation

The rating would be equated to the standalone rating of the entity: ACUITE B+ / Stable.

**C. Timeline for conversion to Final Rating for a debt instrument proposed to be issued:** The provisional rating shall be converted into a final rating within 90 days from the date of issuance of the proposed debt instrument. Under no circumstance shall the provisional rating continue upon the expiry of 180 days from the date of issuance of the proposed debt instrument.

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Apr 2023	Proposed Non Convertible Debentures	Long Term	355.00	ACUITE Provisional B+   Stable (Assigned)
	Non Convertible Debentures	Long Term	165.00	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE0NM707010	Non-Convertible Debentures (NCD)	05 Jan 2023	17	05 Jul 2028	Simple	165.00	ACUITE B+   Stable   Reaffirmed
Not Applicable	INE0NM707028	Non-Convertible Debentures (NCD)	11 Aug 2023	17	30 Jun 2028	Simple	180.00	ACUITE B+   Stable   Assigned   Provisional To Final
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	175.00	Provisional   ACUITE B+   Stable   Reaffirmed

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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