



**Press Release**  
**Everest Nisarg Greenland Developers Private Limited**  
**February 23, 2024**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Non Convertible Debentures (NCD)</b>	345.00	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.345.00 Cr. of Everest Nisarg Greenland Developers Private Limited (ENGDPL). 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 (ENGDPL). 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

**Rationale for rating**

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. The construction of the Vashi project has also commenced from September 2023 and booking commenced from November 2023. Furthermore, the company has successfully acquired the land for Ghansoli project. However, the construction of the same is expected to begin from April 2024. The rating is also constrained by project execution & implementation risk along with funding risk as both the projects under the company is still in an early stage. The rating also factors in the inherent cyclicity in real estate industry.

Acuite has taken the cognizance of the disclosure by the company to the stock exchange on February 14, 2024, mentioning the payment of interest due on March 31, 2024 would be subject to availability of the cash. However, the company subsequently clarified that it was a faulty submission caused by an inadvertent error.

## About the Company

Everest Nisarg Greenland Developers Private Limited (ENGDPPL) 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 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**

Everest Nisarg Greenland Developers Private Limited (ENGDPPL) 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. All the promoters of the company are reputed developers in the Navi Mumbai region and have strong business associations with government regulated authorities. Furthermore, each promoter has their own established group company which has established presence in the real estate market.

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 started from December 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 April 2024 after receiving environmental clearances. 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 an early stage of construction**

The two projects for which the company is acting as an investing partner is at an early 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. The bookings commenced from December 2023 and the company has received 12% bookings (17 residential units of 168 units and 6 commercial units out of 28 units have been booked) as on February 21, 2023. Further, the management expects to book another 12-15 units till March

2024.

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 April 2024. The expected completion for the Vashi Project is February 2027 and Ghansoli for December 2027.

### **Funding Risk**

The total estimated project cost for Vashi project is Rs.699.28. Cr. and Ghansoli project is Rs. 865.47 Cr. The promoters have infused Rs.199.63 Cr. in Vashi Project and ~Rs.450 Cr in Ghansoli Project as on 31 Dec 2023. The company has raised Rs. 345 crores NCDs till date and Rs. 175 Cr, would be raised in various tranches. The company raised two rounds of NCDs to the tune of Rs.165 unlisted (for Vashi project) and fresh Rs.180 Cr. (Rs. 150 Cr. for Ghansoli and Rs. 30 Cr. for Vashi) of listed NCDs which are utilised towards acquisition of land and other activities. The final and third tranche of NCDs is expected to be issued in multiple tranches going forward. The company have received booking for the Vashi Project and the construction initiated from Sep 2023. For Ghansoli project, the construction and bookings are expected to begin from April 2024. 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 from April 2024. The projects are expected to get completed by February 2027 and December 2027. Therefore, any delay in completion of the project may lead 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

### **Liquidity Position Stretched**

The company's liquidity position is stretched as the cashflows are contingent upon the collections from the sold units and new bookings done whereas the accrued interest of Rs. 21.52 crore is due for payment on March 31, 2024. The management plans to bring in the funds to the tune of Rs. 21.30 crore in March 2024 post registration of sale agreement of the booked units as per the terms of DTD. Furthermore, the projects are at an early stage and the completion of the project on time will depend on the advances from customer.

### **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.

**Other Factors affecting Rating**

None.

## 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>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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
09 Nov 2023	Proposed Non Convertible Debentures	Long Term	175.00	Provisional ACUITE B+   Stable (Reaffirmed)
	Non-Coverible Debentures (NCD)	Long Term	165.00	ACUITE B+   Stable (Reaffirmed)
	Non-Coverible Debentures (NCD)	Long Term	180.00	ACUITE B+   Stable (Assigned)
21 Apr 2023	Proposed Non Convertible Debentures	Long Term	355.00	Provisional ACUITE B+   Stable (Assigned)
	Non-Coverible Debentures (NCD)	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   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non-Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	175.00	Provisional   ACUITE B+   Stable   Reaffirmed

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>
Preet Ludhwani Associate Vice President-Rating Operations Tel: 022-49294065 <a href="mailto:preet.ludhwani@acuite.in">preet.ludhwani@acuite.in</a>	

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.