

February 10, 2016

| Facility                         | Amount<br>(Rs. Crore) | Rating   |
|----------------------------------|-----------------------|--|
| <b>Term Loan (Proposed)</b>      | <b>11.50</b>          | <b>SMERA B+/Stable<br/>(Suspension Revoked, Rating Assigned)</b> |
| <b>Bank Guarantee (Proposed)</b> | <b>1.70</b>           | <b>SMERA A4<br/>(Suspension Revoked, Rating Assigned)</b>        |

SMERA has assigned a long term rating of '**SMERA B+**' (**read as SMERA B plus**) and a short-term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.13.20 crore bank facilities of SPR Buildtech Limited (SPR). The outlook is '**Stable**'. The rating draws support from the company's experienced management, established track record of operations and timely completion of Phase I and II of the Imperial Estate project. However, the rating is constrained by the company's exposure to project-specific risks inherent in Phase III (tower seven) and intense competition in the real estate sector that is undergoing a slowdown.

### Outlook: Stable

SMERA believes SPR will maintain a stable business risk profile over the medium term owing to the experienced management and well established track record. The outlook may be revised to 'Positive' in case the company generates steady cash flows from timely receipt of customer advances. Conversely, the outlook may be revised to 'Negative' if the company faces liquidity pressure arising from delays in project execution and receipt of customer advances.

### Rating Sensitivity Factors

- Timely completion of the ongoing project
- Steady cash flow on account of customer advances

### About the Project

Imperial Estate is a seven-tower residential complex in Faridabad, Haryana divided into three phases and spread over 10.25 acres. While SPR has already completed construction of the first two phases, the construction of the third began in December 2015. The total cost of the third phase stands at Rs.35.36 crore expected to be funded through capital of Rs.3.00 crore, unsecured loans of Rs.8.50 crore, term loan of Rs.11.50 crore and customer advances of Rs.12.36 crore.

## About the Company

SPR, incorporated on January 16, 2006, is a real estate developer promoted by a group of first-generation entrepreneurs. The company is headed by Mr. Sanjeev Saluja and Mr. Sudesh Gupta and is developing a seven-tower residential complex in Faridabad, Haryana.

For FY2014-15, SPR reported net profit of Rs.0.03 crore on total income of Rs.20.00 crore as compared with net profit of Rs.0.14 crore on total income of Rs.32.35 crore for FY2013-14. SPR's net worth stands at Rs.9.24 crore as on March 31, 2015.

## Contact List:

| Media/Business Development  | Analytical Contact  | Rating Desk  |
|---|---|--|
| Mr. Suman M<br>National Sales Head - Emerging<br>Corporate Group<br>Tel: +91-22-6714 1151<br>Cell: +91 9892306888<br>Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a><br>Web: <a href="http://www.smera.in">www.smera.in</a> | Parimal Thakker<br>Associate Vice President - Corporate<br>Ratings<br>Tel: +91-011-4973 1312<br>Email: <a href="mailto:parimal.thakker@smera.in">parimal.thakker@smera.in</a> | Tel: +91-22-6714 1184<br>Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a> |