

**February 10, 2016**

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

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.

*SMERA 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. SMERA ratings 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, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA 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. SMERA ratings 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.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.*

**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.

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