



Rating Rationale

Sinew Developers Pvt Ltd

18 Jan 2019

Brickwork Ratings revises ratings for the Non-Convertible Debenture issue of ₹. 177.00 Crores of Sinew Developers Pvt. Ltd

Particulars

Instrument	Issue Date	Amt (₹ Cr)	Coupon	Maturity Date	ISIN Particulars	Previous Rating	Review Rating*
NCD	March 2, 2015	160	22.95%	March 1, 2020	INE429L07017	BWR B (Pronounced as BWR B) (Outlook - Stable)	BWR C (Pronounced as BWR C)
NCD	March 2, 2015	17	22.95%	March 1, 2020	INE429L08015		
Total		177 (Rupees One Hundred Seventy Seven Crore Only)					

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied on audited financials of SDPL upto FY17, publicly available information and information/clarifications provided by the company.

Downgrade in rating is on account of no progress of the project – phase I of project “Nirvana” which is being executed by the company, uncertainty in availability of cash flows for the repayment of the NCDs and non-availability of financials of FY18 with updates of project status and financial position.

Further, the rating is also negatively impacted by uncertainty relating to funding availability in case of cost overrun and project execution risk and slower than expected sale.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).



Description of Key Rating Drivers

Slower than expected progress of the project: The construction at the project site has been halted since March 2016. As informed by the company in March 2018, new contractor was appointed for the entire project and work was expected to commence again. However, company has not provided any updates relating to the progress of the project. As per the previously provided information, the construction of the project was expected to complete in 2021 as against earlier envisaged date of 2019.

Uncertainty of Cash flows: With the delay in the project, there are no visible cash flows available with the company for the repayment of existing NCDs which is due for maturity in March 2020.

Funding of the project: The delay in the project is expected to lead to cost overrun and increase the debt level of the company.

About the Company

Sinew Developers Private Ltd. (SDPL) (formerly known as Sinew Developers Ltd.) is a project specific Special Purpose Vehicle (SPV) of Kumar Builders. SDPL is a 100% subsidiary of Kumar Urban Development Pvt. Ltd. (KUDL). SDPL is undertaking the execution of phase I of project named '45, Nirvana Hills' located at Karve Road, Pune. It is being executed on the area admeasuring 8960 sq.mts sub-leased from Kumar Sinew Developers Pvt. Ltd. (KSDPL). The project is slum rehabilitation cum residential project to develop the slum property under Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act. 1971. The project consists of two phases. Phase I consists of four buildings with 28 floors with a total saleable area of 10,09,689 sq.ft. Phase II consist of SRA buildings. Total cost of the project (Phase I) is Rs. 444.47 Crore.

Company Financial Performance

The company has not provided any information relating to updated financial position of the company.



Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	March 31, 2018	March 21, 2017	Feb 29, 2016
	NCD	Long Term	160	BWR C	BWR B (Stable)	BWR BB- (Stable)	BWR BB- (Stable)
	NCD	Long Term	17	BWR C	BWR B (Stable)	BWR BB- (Stable)	BWR BB- (Stable)
	Total		177	₹ One Hundred Seventy Seven Crore Only			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments

Any other information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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