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August 6, 2010

**CARE ASSIGNS 'CARE BBB-' RATING TO THE BANK FACILITIES OF SUNNY VISTA REALTORS PVT LTD.**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	650.00	<b>'CARE BBB-' (Triple B Minus)</b>	Assigned
<b>Total Facilities</b>	<b>650.00</b>		

### **Rating Rationale**

The rating takes into account significant experience, track record and brand image of Hiranandani group in real estate sector in Mumbai, healthy booking status of residential space under Phase I of the project being developed by Sunny Vista Realtors Private Limited (SVPL), low acquisition cost of land, vicinity and access to Mumbai Pune express highway and tax benefits associated with development of Special Economic Zone (SEZ).

The rating also factors in the benefits likely to be derived upon successful implementation of the proposed infrastructure development activities around the location of the project like proposed airport and trans-harbour sea link.

The rating is however constrained by considerable project execution risk on account of nascent stage of the project, moderately high project debt to equity ratio, pending approval for construction of buildings, vicinity of the project which is relatively underdeveloped at present and competition from other proposed SEZs in nearby area and other residential real estate developments in established parts of Navi Mumbai.

Timely execution of the project and ability to market the project location as an SEZ remain the key rating sensitivities.

Moreover, any adverse change in existing tax structure associated with development of SEZs on account of Direct Tax Code (DTC) may affect the operations and in turn credit quality of SVPL.

### **Company Profile**

Sunny Vista Realtors Private Limited (SVPL) was incorporated in May, 2006 and is owned by Hirco Plc. (HIRCOP). HIRCOP is real estate investment company for Hiranandani group (HG) promoted by Mr. Niranjana Hiranandani. Through SVPL, HIRCOP is planning to develop a multi service SEZ in phases spread over 590 acres of area at Panvel, Raigad near Navi Mumbai. The site has old Mumbai Pune highway (NH-4) on its north and Mumbai Pune expressway (NH-4C) on its south.

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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

Under Phase I, residential and commercial area is being developed over about 36 hectares of land. The project is estimated to cost around Rs.1367 crore proposed to be funded through bank loan of Rs.650 crore (already sanctioned), equity of Rs.375 crore (Rs.248.45 crore brought in by March 31, 2010) and balance through advances from customers for residential space (received Rs.78.50 crore as on March 31, 2010).

As on June 2010, residential space under SVPL was booked to the extent of 90% of saleable area to be generated and commercial space was yet to be launched for bookings.

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*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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