



May 09, 2016

# One Avighna Park

by Nish Developers Pvt. Ltd.



Rated Mumbai 7-Star by CARE Ratings

## Project Star Rating Rationale

- *Project developer quality*

Nish Developers Pvt. Ltd. (NDPL) was incorporated on 8th July, 2005, by Agarwal family to execute real estate development project specifically - "One Avighna Park". The promoters have a presence in the real estate industry for the last 10 years. Under their leadership, the group has completed six projects since 2001 and developed a total area of about 3.2 lsf as on December 31, 2015 excluding the aforesaid project. The group is focused on luxurious and quality living space projects in and around Mumbai region. The group is controlled by, Mr Kailash Agarwal, who is assisted by his son Mr Nishant Agarwal.

- *Project construction quality and amenities*

The Company has hired highly experienced and well known architect firm Vivek Bhole Architects (India) [VBA] for designing the project. Furthermore, NDPL has outsourced its civil construction work to Simplex Infrastructure Limited, which is a pioneer company in construction and infrastructure space. Besides, the company has hired WSP Cantor Seinuk (USA) and Belt Collins (Singapore) as its structural and landscaping consultants, respectively. The company has also hired Elemec Electrical (UAE) to work as the MEP (Mechanical Electrical Plumbing) consultants for the project. Association with the above entities specializing in their respective domain is likely to enable NDPL to deliver quality residential projects.

The internal project team of NDPL verifies and monitors the work of the aforementioned specialized entities. To maintain the quality of construction, NDPL has setup a well equipped quality control (QC) lab at site. NDPL uses Microsoft Project management software MS Project based MIS system to keep track of daily progress of the project.

The two residential sale towers were earlier envisaged to be of 64 floors each, albeit due to the changes in DCR (Development Control Regulations) norms the company has now restricted the project up to 61 floors consisting 2 wings A & B each. The structure has 7 level podium parking area, 8 & 9 level developed as common amenities and habitable floors starting from 11th floor level to 61st floor level. Project consists of total 271 (earlier 278) apartments with configurations of 3-BHK, 4-BHK and 5-BHK, including duplexes. The project has been awarded about 37 prestigious national and international awards, accolades and certifications for excellence in design, landscape and architecture in the luxury residential high rise segment

- *Project legal quality*

The project's land title is clear and marketable and the title search (done by Padiyar & Co and Kanga & Co) for the entire property is done for 30 years. All pre-construction approvals have been obtained for the project. All the major approvals for the project are in place with entire commencement certificate (CC) received up to 61st floor level along with the revised layout approved as on March 21, 2016.

- *Project financial quality*

The project is proposed to be primarily funded through promoter funds, contributing about 56% of total envisaged project cost, debt about 17% and about 27% is expected to be funded by customer advances. As the dependence on customer advances is low, funding risk due to low saleability is mitigated. Furthermore, as on date the promoters have infused the entire equity of Rs.467.42 crore, debt of Rs.126.02 crore has been drawn down and balance funded out of customer advances, with net cash surplus of Rs.59.05 crore.

Previously the company had envisaged a total infusion of Rs.488.11 crore, however now the company had availed bank debt and reduced the promoter funds to the extent of Rs.467.42 crore. The promoter funds of Rs.467.42 crore include equity of Rs.119.32 crore, CCDs of Rs.286.10 crore and unsecured loan of Rs.61.99 crore. Project has customer advances tied-up more than the balance project cost to be incurred. Tied up receivables to balance project cost and total envisaged debt is 2.29 times.

## Project Profile

Project Name	One Avighna Park
Project Type	Residential
Project Location	Parel, Mumbai
Development Type	Redevelopment
Project Start Date	June 2010
Scheduled Project Completion Date	June 2016 (revised from December 2015)
Agreed upon Possession to the customer	December 2016 (revised from December 2015 albeit in lines with 12 months grace period, as per the sale agreement)
Total Saleable Area	8.67 lakh square feet (Isf) (revised from 9.02 Isf)
Construction Status	<p>The project construction has progressed reasonably since the start of development. As on February 28, 2016 all the civil-work has been completed up to 61st level in both the wings and marble work is completed up to 48th floor level, work is in progress for up to 58th floor.</p> <p>The developer also provides project updates to customers through Facebook, Twitter and on project web site.</p> <p>There was a delay in the construction schedule due to lack of clarity on the applicability of the DCR norms. The original layout was approved in 2010, before the new DCR was implemented in 2012. However, further construction approvals were taken after the revision in DCR norms leading to lack of clarity about the applicability of norms. Accordingly, the receipt of incremental CC was delayed. However, the company has now agreed to complete the project at the 61st floor level and has received the final CC to that effect along with revised layout being approved as on March 21, 2016.</p>

## Project Developer Profile

Name of the company developing the project	Nish Developers Pvt. Ltd.
Project developer group	Avighna Group
Development Experience of the developer group	10 years
No. of years in the industry	10 years
No. of projects developed till date	6
Total Area developed till date	3.2 Isf
No of projects ongoing (NDPL)	1 (One Avighna Park)

## Project Developer

Nish Developers Private Limited (NDPL) is a part of Avighna Group engaged in real estate development. The group began its operations in 1987 under Nishant Import & Export Co. LLC as a trader in petroleum products and chemicals. The company then ventured into forward integration by carrying out gasoline imports through its own purchased petrochemical tankers. The group began its real estate development venture in Mumbai a decade ago and has developed an area of about 3.2 lakh square feet (Isf) in six projects. At present, the group is no longer engaged in trading of petroleum products.

**Financial Performance** – Project Stage Company and past financials are not meaningful

## Project Details

One Avighna Park is located at Gundecha Garden, Parel in the heart of Central Mumbai adjoining Currey railway station on Central railway line. The project site is abutting 50 M wide Dr Babasaheb Ambedkar road on one side and 40 M wide Mahadev Palav marg (Currey road) on the other side. The location enjoys good connectivity to airport, shopping malls, schools and recreational facilities.

## Highlights of the Project

The Project has been provided with best in class recreation facilities developed on podium levels 8-9 that include valley podium garden, jogging track, leisure pool and kids pool, indoor & outdoor gym, tennis court, 25 feet banquet hall, multi-purpose sports zone, squash court, library, mini theatre, yoga & aerobics room, billiards room, table-tennis room etc. Also, the project has been pre certified Platinum rating from India Green Building Council (IGBC) due to its salient features for energy-saving and water saving, which would benefit the buyers over the lifetime of the project.

The project uses a raft foundation for sub-structure and Mivan technology (Aluminum formwork) for superstructure.

- As on February, 2016, the company has incurred approximately Rs.777.05 crore of the total project's cost of Rs.837.14 crore.

Brief particulars about various contractors are as follows –

### 1. Structural Consultants

The company has hired WSP Cantor Seinuk (USA) as its structural consultants, which is an internationally recognized structural engineering firm based in New York. Over the past 40 years, their practice has received over 100 awards for engineering excellence. They have been associated with landmark projects globally such as Trump International Tower and Hotel, Nakheel Tower, Beekman Tower, Plaza Hotel and One World trade center to name a few of them

### 2. Architects

The company has hired Vivek Bhole Architects (India) [VBA] as the design architect for the project. VBA is a leading architectural firm in Mumbai that has several accolades to their credit; such as Top Architects Awards by Interiors Magazine, Times of India Facilitation Awards, Indian Architectural Design Festival Achievers Awards, Young Achievers Award.

### 3. Civil Engineers

The company has hired Simplex Infrastructures Limited (SIL) to work as civil engineering contractor for the project. SIL has been in construction business since 1924, making it a pioneer company in construction and infrastructure space. Their past projects include Hotel Hilton (Doha), Dubai Metro rail and the prestigious Supreme Court of India.

### 4. Landscape Consultants

BeltCollins(Singapore)hasbeenappointedaslandscapearchitectfortheproject,whichisaninternationallyrenownedfirm working in the field of planning and design with offices in 8 countries worldwide. Their landmark projects include Shangrila Hotel (Mumbai), Gaya Island Resort (Malaysia), and Grand Hyatt (Kuala-lumpur) to name a few.

### 5. Other Contractors

The company has also hired Elemac Electrical (UAE) and DHA design, UK to work as the MEP consultants and Lighting consultants respectively.

## Project Legal status

- Title search for 30 years is conducted for the entire land bank of 6.5 acres.
- The project has obtained all the pre-construction approvals required for the construction.
- The sales agreement is extensive and transparent with clarity over the payment terms and schedule which is linked to the progress of the project, right to terminate the contract by the customer if the project gets delayed with 9% simple interest on payments done. The agreement also provides for a fixed possession date which is December 2015 (and a grace period of 12 months, i.e., December 2016) and a defect liability period of one year.
- Project Financial Status
- The total project cost is estimated to be Rs. 837.14 crore and is proposed to be funded by way of promoter funds of Rs.467.42 crore, debt of Rs.140 crore and balance Rs.229.72 crore through customer advances.
- As on February 2016, the project has already incurred project cost of approximately Rs.777.05 crore. The entire promoter funds have already been infused. Debt of Rs.126.02 crore has been drawn down. The project had a net cash surplus of Rs.59.05 crore.

- The company has made sales worth of Rs.706.1 crore, out of which Rs.246.37 crore has been received as on February 2016. Furthermore, the project has tied up receivables of Rs.459.73 crore which is around 2.29 times the balance project cost and total envisaged debt.
- While the sales momentum has been sluggish and advances received from customers till now have been on the lower side, comfort can be drawn from the fact that the registered area of the total sold area is at around 83%.

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Project Photographs as on December 31, 2015



*Entrance Lobby*



*Amenities Floor*



*Building Elevation*



*Amenities Floor*

## About CARE Ratings

Credit Analysis and Research Limited (CARE Ratings) commenced operations in April 1993 and over nearly two decades, it has established itself as the second-largest credit rating agency in India in terms of rating income.

CARE Ratings provides ratings in the financial sector, infrastructure sector, corporates, public finance and MSME spaces. Under its umbrella of grading services, CARE Ratings carries out grading of IPOs, assesses financial strength of shipyards, grades various courses of Educational institutions and provides grading services to Energy service companies (ESCO), Renewable energy service companies (RESCO), Real estate projects, Maritime training institutes. CARE Ratings also provides equity grading for listed entities. CARE Ratings has recently begun its Valuation Services and offers valuation of equity, debt instruments and market linked debentures (also with embedded complex options). CARE Ratings is committed towards maintaining high standards of professional quality and integrity. To address any conflict of interest, CARE Ratings has always had an external ratings committee since its inception comprising a majority of independent members. Ratings are finally decided by this expert committee. CARE Ratings has recently partnered with four other domestic credit rating agencies in Brazil, Malaysia, Portugal and South Africa, to form an international credit rating agency called ARC Ratings

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