April 29, 2021

Shriram Properties Limited – Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	104.50	104.50	[ICRA]BBB (Negative); withdrawn
Total	**104.50**	**104.50**	

Rationale

ICRA has withdrawn the ratings assigned to the Non-convertible debenture (NCD) programme of Shriram Properties Limited at the request of the company and based on the No Dues Certificate received from the trustee(s). ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link**:** **Click here.**

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Real Estate Entities Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financials of SPL. The list of entities considered for consolidation is shown in Annexure-2.

About the company

Founded in 1995, SPL is the real estate arm of the Shriram Group, which is a leading player in financial services industry. The company has primarily been engaged in residential real estate development and has completed about 12.2 mn sqft of space in the past and is presently developing an additional 12.7 mn sq.ft (excluding unlaunched phases of ongoing projects). While the company's operations have been concentrated in Bangalore, it has gradually forayed in new markets like Chennai, Kolkata, Coimbatore and Vizag.

Key financial indicators (audited)

SPL Consolidated	FY2019	FY2020
Operating Income (Rs. crore)	650	572
PAT (Rs. crore)	58	-45.5
OPBDIT/OI (%)	1.1%	8.1%
PAT/OI (%)	8.9%	-8.0%
Total Outside Liabilities/Tangible Net Worth (times)	2.3	2.5
Total Debt/OPBDIT (times)	122.0	14.8
Interest Coverage (times)	1.9	0.7

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source: Company, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Date & Rating	FY2021		FY2020	FY2019	
					29-Apr-2021	26-Feb-2021	27-Apr-2020	-	11-Feb-2019	21-Jan-2019
1	NCD	Long-term	104.5	0.0	[ICRA]BBB (Negative); withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	-	[ICRA]BBB (Positive)	[ICRA]BBB (Stable)

** outstanding as on April 13, 2021.*

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs Crore)	Current Rating and Outlook
INE217L07016	NCD	31-Oct-2017	13.20%	29-Oct-2021	89.75	[ICRA]BBB (Negative); withdrawn
INE217L07024	NCD	31-Oct-2017	16.91%	29-Oct-2021	14.75	[ICRA]BBB (Negative); withdrawn

Source: *Company.*

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Bengal Shriram Hitech City Private Limited	100%	Full Consolidation
Shriprop Developers Private Limited	100%	Full Consolidation
Global Entropolis (Vizag) Private Limited	100%	Full Consolidation
Shriprop Structures Private Limited	100%	Full Consolidation
Shriprop Housing Private Limited	100%	Full Consolidation
SPL Constructors Private Limited	100%	Full Consolidation
Shriprop Constructors Private Limited	100%	Full Consolidation
Shriprop Homes Private Limited	100%	Full Consolidation
Shriprop Projects Private Limited	100%	Full Consolidation
Shriprop Builders Private Limited	100%	Full Consolidation
SPL Shelters Private Limited	100%	Full Consolidation
SPL Estates Private Limited	100%	Full Consolidation
SPL Realtors Private Limited	51%	Full Consolidation
SPL Towers Private Limited	51%	Limited Consolidation
Shriprop Living Space Private Limited	51%	Limited Consolidation
Shrivision Homes Private Limited	100%	Full Consolidation
Shrivision Towers Private Limited	51%	Limited Consolidation
Shriprop Properties Private Limited	28%	Limited Consolidation

Source: *Company*

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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