

November 19, 2024

Candeur Constructions Private Limited: Rating moved to Issuer Non-Cooperating category; rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Proposed term loans	400.0	400.0	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'ISSUER NOT COOPERATING' category
Term loans	200.0	200.0	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and moved to the 'ISSUER NOT COOPERATING' category
Total	600.0	600.0	

[^]Instrument details are provided in Annexure I; *Issuer did not cooperate; based on best available information

Rationale

ICRA has downgraded and moved the ratings for the bank facilities of Candeur Constructions Private Limited (CCPL) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding CCPL's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As a part of its process and in accordance with its rating agreement with CCPL, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail Policy In Respect of Non-Cooperation by a Rated Entity
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Candeur Constructions Private Limited was established in 2021 by Mr. Srikar Reddy and Mr. Srikanth Reddy. At present, the company is developing residential real estate projects named Candeur Lakescape and Candeur Skyline in Hyderabad, Telangana.

Candeur Lakescape consists of 1,993 2-BHK and 3-BHK residential apartments and Candeur Skyline consists of 282 4-BHK residential apartments.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	0.0	100.2
PAT	-1.0	5.9
OPBDIT/OI	n.m	8.8%
PAT/OI	n.m	5.9%
Total outside liabilities/Tangible net worth (times)	8.0	20.0
Total debt/OPBDIT (times)	-62.5	18.8
Interest coverage (times)	n.m	n.m

Source: Company, ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; n.m: not material, Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	November 19, 2024	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Proposed term loans	Long term	400.0	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	28-Aug-2023	[ICRA] BB- (Stable)	-	-	-	-
Term loans	Long term	200.0	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	28-Aug-2023	[ICRA] BB- (Stable)	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Proposed term loans	Simple
Term loans	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's

credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#).

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Proposed term loans	NA	NA	NA	400.0	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term loans	August 2023	NA	FY2029	200.0	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis- Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

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