

August 04, 2025

Alchemi Developers Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long Term – Fund Based – Term Loan	90.00	[ICRA] BBB (Stable); Assigned
Total	90.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating factors in the favourable location of Alchemi Developers Private Limited's (ADPL's) mixed-use residential and commercial project, located at Goregaon East in Mumbai, which is in close proximity to various business districts of Mumbai, enhancing the marketability. ADPL is promoted by Mr. Chandrakant V Gogri (shareholding of ~74% via Gee Bee Advisory), founder of the Aarti Group of Industries, along with the Sejal Group (26% equity stake). The rating notes the strong parentage and the resultant strong financial flexibility. ICRA takes note of the promoter's commitment to support the entity in a timely manner for any funding shortfall, when need arises. The sanctioned debt has also stipulated Mr. Gogri to maintain the majority stake in the entity, along with providing personal guarantees for the borrowings. The other promoter, Sejal Group, also has an established track record of developing real estate projects in Mumbai. At present, the Sejal Group is undertaking the execution of a mixed-use project, having 2 towers each for residential (S-City-R1, S-City-R2) and commercial (Sejal Square, S-City-C1) use with 1.18 msf of saleable area. ADPL's project was launched in February 2025 and out of the two towers (Sejal Square and S-City-R1), which were open for sale, around 62% has been sold as of July 2025. The adequate sales velocity is likely to support company's sales at around Rs. 850-900 crore in FY2026. This along with adequate construction progress is expected to result in collections of ~Rs. 200-230 crore in FY2026 and with significant improvement in collections to Rs. 500-520 crore in FY2027, the leverage is estimated to improve to ~2.5-3.0 times as of March 2027.

The rating is, however, constrained by the initial stages of project construction with only 11% of the total project cost incurred as of March 2025. While the initial response for the towers for sale has been good, the project is exposed to market risks with 81%¹ of the total area yet to be sold as of March 2025. Nevertheless, the favourable location of the project is likely to result in adequate sales velocity in the near to medium term. The cash flow adequacy ratio is moderate at 25% as of March 2025 with committed receivables of Rs. 491.6 crore against pending costs of Rs. 1,950.3 crore and a total debt outstanding of Rs. 37.3 crore. The rating also remains constrained by the geographical and asset concentration risk as well as susceptibility to cyclicity in the real estate sector.

The Stable outlook on the rating reflects ICRA's opinion that given the favourable location, the company will be able to maintain adequate sales velocity for the project and construction progress resulting in an improvement in collections and cash flow from operations.

Key rating drivers and their description

Credit strengths

Favourable location of the project – ADPL's project is located at Goregaon East in Mumbai, which is in close connectivity to the Western Express Highway (WEH) and the New Link Road. The project is in close proximity to various business districts of Mumbai and having access to prominent public locations like malls, hospitals, schools, natural parks, etc. The project was

¹ Unsold inventory is 36% for launched project (Sejal Square and S-City R1) as of July 2025; however, as on March 2025 it is at 81% with 92% in S-City R2, 88% in S-City C1, 38% in Sejal Square and 97% in S-City R1 (34% as of July 2025)

launched in February 2025 and has received healthy response for the two towers (Sejal Square and S-City-R1), which were open for sale and around 62% has been sold as of July 2025.

Strong parentage of Mr. Gogri provides financial flexibility – ADPL is majority owned (shareholding of ~74% via Gee Bee Advisory) by Mr. Chandrakant V Gogri, founder of the Aarti Group of Industries, while the rest 26% stake is with the Sejal Group. The Sejal Group is involved in the real estate market since 2010 and has experience of executing large real estate projects and has delivered 1.6 msf as of March 2025 in MMR region. The rating derives financial flexibility from the promoter’s commitment to support the entity in a timely manner for any funding shortfall, when need arises.

Credit challenges

Exposed to execution and market risks – The company is exposed to execution risks as the project is in the initial stages of construction with only 11% of the total project cost incurred as of March 2025. The project is exposed to significant market risks as 81% of the area is yet to be sold as of March 2025. Nevertheless, ICRA notes that the project received a good response for 2 towers, which were open for sale with healthy booking of 62% as of July 2025. Given the favourable location, the company will be able to maintain adequate sales velocity for the project.

Moderate cash flow adequacy ratio – The cash flow adequacy ratio is moderate at 25% as of March 2025 with committed receivables of Rs. 491.6 crore against pending costs of Rs. 1,950.3 crore and a total debt outstanding of Rs. 37.3 crore against sanction debt of Rs. 90 crore taken for Sejal Square.

Geographical and asset concentration risks; exposure to cyclicity in real estate sector – The company is undertaking a mixed-use project in MMR, thereby exposing it to high geographical and asset concentration risks. Any adverse development in the region can impact the execution and sales of the project. Further, the real estate sector, being cyclical in nature, is highly dependent on macro-economic factors, which exposes the company’s sales to any downturn in demand and competition within the region from various other developers.

Liquidity position: Adequate

The liquidity position remains adequate. As on March 2025, the company has pending costs of Rs. 1,950.3 crore, which is expected to be funded by an undrawn debt of Rs. 52.7 crore committed receivables of Rs. 491.6 crore and the remaining by incremental sales and collections. As on March 31, 2025, the company has cash and liquid balances of Rs. 6.9 crore and undrawn bank limits of Rs. 52.7 crore.

Rating sensitivities

Positive factors – The rating may be upgraded if significant and sustained growth in sales and collections of the project results in an improvement in cash flow from operations, improvement in debt protection metrics and liquidity.

Negative factors – Significant delays in project execution leading to cost overruns or subdued collections impacting the cash flows from operations would be a credit negative. Further, any increase in indebtedness leading to significant deterioration in the debt coverage metrics may lead to a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Alchemi Developers Private Limited (ADPL), incorporated on October 9, 2020, is a privately-held Indian company based out of Mumbai. The company is promoted by Mr. Chandrakant V Gogri, founder of the Aarti Group of Industries, who holds majority shareholding (73.99%) in ADPL via Gee Bee Advisory and Sejal Group.

The company is undertaking an urban slum rehabilitation project in Mumbai. At present, it is developing a mixed-use project consisting of four towers, two each for residential and commercial with a common G+3 floor structure, comprising retail shops. The project has a total saleable carpet area of 1.18 msf.

Key financial indicators – Not applicable as it is a project company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)			Chronology of rating history for the past 3 years						
FY2026			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Aug 04, 2025	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long-term	90.00	[ICRA] BBB (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	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	Term loan	August 30, 2024	10.8%	FY2030	90.00	[ICRA] BBB (Stable)

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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Maitri Vira

+91 79 6923 3012

maitri.vira@icraindia.com

Sandeepkumar Patwa

+91 22 6169 3368

sandeepkumar.patwa@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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