

March 18, 2026

## DAC Developers Private Limited: [ICRA]BB (Stable) assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	64.3	[ICRA]BB (Stable); assigned
Long-term – Unallocated limits	135.7	[ICRA]BB (Stable); assigned
<b>Total</b>	<b>200.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating assigned to the bank facilities of DAC Developers Private Limited (DDPL/DAC Group) factors in its established track record in the Chennai residential real estate market, as well as adequate sales velocity in 9M FY2026, which is likely to sustain over the next 12-15 months. The Group's pre-sales improved by 46% to Rs. 346.5 crore in FY2025 and remained adequate at Rs. 378.2 crore in 9M FY2026. The healthy launch pipeline, along with expected adequate construction progress and sales velocity in the ongoing and upcoming projects will result in an increase in collections by 35-37% in FY2026 (PY: Rs. 308.3 crore) and further by 20-25% in FY2027. The rating notes the established track record of the promoters with over two decades of experience in the residential real estate industry in Chennai.

The rating is, however, constrained by the company's exposure to moderate execution and market risks, wherein around 30% of the remaining project cost is yet to be incurred and around 37% of the remaining saleable area are yet to be sold as of December 2025, in its ongoing projects. The cash flow adequacy ratio<sup>1</sup> stood moderate at 35% as of December 2025. As a result, timely sales of the unsold units will be critical for funding the remaining project cost and its debt servicing. The rating considers the high debt levels towards land acquisitions and project execution resulting in high leverage and moderate debt coverage metrics. DDPL has sizeable debt repayment obligations in FY2027, indicating high refinancing risk. Being a cyclical industry, the real estate business is highly dependent on macro-economic factors, which exposes the company's sales to any downturn in demand. Further, it faces geographical concentration risk as the Group's operations are highly concentrated in Chennai and its nearby region.

The Stable outlook on DDPL's rating reflects ICRA's opinion that the Group will benefit from the expected adequate sales velocity as well as collections in its ongoing and planned projects resulting in improvement in cash flow operations.

### Key rating drivers and their description

#### Credit strengths

**Established track record of Group in Chennai real estate market** – Incorporated in 2006, the DAC Group has an established track record in the Chennai real estate market. It has delivered over 1.2 million square feet (msf) of saleable area over the years. The Group was promoted by Mr. Sathish Kumar, who have over two decades of experience in the real estate industry in Chennai market. As on December 31, 2025, the Group had ongoing projects with a saleable area of around 1.7 msf. It has a healthy pipeline of upcoming projects, which is expected to result in healthy growth in its scale of operations in the near to medium term.

<sup>1</sup> Cash flow adequacy ratio = (Receivables from sold area)/(Pending cost + debt outstanding)

**Adequate sales performance** – Backed by adequate sales velocity in the ongoing projects, the Group’s pre-sales improved by 46% to Rs. 346.5 crore in FY2025 and remained adequate at Rs. 378.2 crore in 9M FY2026. This along with an expected adequate construction progress and healthy launch pipeline will result in an increase in collections by 35-37% in FY2026 (PY: Rs. 308.3 crore) and further by 20-25% in FY2027.

### Credit challenges

**Exposure to execution and market risks** – The Group is exposed to execution risk as around 30% of the remaining project cost is yet to be incurred in its ongoing projects. Nevertheless, the Group’s track record in the residential real estate segment in Chennai provides comfort to an extent. The company is exposed to market risk as around 37% of the remaining saleable area in its ongoing projects as of December 2025, are yet to be sold. Further, with a moderate cash flow adequacy cover of 35%, as of December 2025, timely sales of the unsold units will be critical for funding the remaining project cost and its debt servicing.

**High leverage, moderate debt coverage metrics with high refinancing risk** – The Group’s debt levels increased significantly by 62% to Rs. 425.5 crore as of December 2025 compared to Rs. 262.1 crore as on March 31, 2025, primarily towards land acquisitions, project execution, resulting in high leverage and moderate debt coverage metrics. Further, the company is exposed to refinancing risk, given the sizeable debt repayment obligations in FY2027.

**Exposed to geographical concentration risk and cyclicity in industry** – The real estate business, being a cyclical industry, is highly dependent on macroeconomic factors, which exposes the company’s sales vulnerable to any downturn in demand. At present, the Group’s operations are highly concentrated in Chennai and its nearby region, exposing it to geographical concentration risk.

### Liquidity position: Stretched

The Group’s liquidity position is stretched as the company has sizeable debt repayment obligations of Rs. 400.0-450.0 crore and Rs. 300.0-350.0 crore in FY2026 and FY2027, respectively, which are expected to be partly refinanced and partly to be met by cash flow from operations. It has a free cash and bank balance of Rs. 20.0 crore as on March 31, 2025.

### Rating sensitivities

**Positive factors** – The rating may be upgraded if there is healthy increase in sales and collections, along with an improvement in debt protection metrics and liquidity position on a sustained basis.

**Negative factors** – Downward pressure on the rating could emerge in case of subdued sales and/or collections, or if any significant delay in completion of the ongoing projects impacting debt protection metrics on a sustained basis.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the business and financial risk profiles of DDPL, its subsidiaries and associated (collectively referred to the DAC Group), owing to the common management and financial linkages among them.

### About the company

DAC Developers Private Limited, the flagship entity for the Chennai-based DAC Group, develops residential real estate projects. Since its incorporation in 2006, the DAC Group has delivered over 1.2 msf of saleable area. Further, all the Group companies

and JVs/subsidiaries of DDPL are involved in the real estate business and develop residential projects under the brand DAC. The Group has 15 ongoing projects as on December 31, 2025 with a saleable area of 1.7 msf.

### Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	182.9	292.7
PAT	5.1	- 4.1
OPBDIT/OI	6.5%	2.3%
PAT/OI	2.8%	-1.4%
Total outside liabilities/Tangible net worth (times)	19.9	32.6
Total debt/OPBDIT (times)	18.0	39.0
Interest coverage (times)	2.2	0.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### 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					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Mar 18, 2026	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	64.3	[ICRA]BB (Stable)	-	-	-	-	-	-
Unallocated limits	Long term	135.7	[ICRA]BB (Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Unallocated limits	Not Applicable

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	FY2024-2026	NA	FY2028-2029	64.3	[ICRA]BB (Stable)
NA	Unallocated limits	NA	NA	NA	135.7	[ICRA]BB (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**

Company name	Ownership	Consolidation approach
DAC Developers Private Limited	-	Full Consolidation
DAC Promoters Private Limited^	-	Full Consolidation
DAC Developers SPV 1 Private Limited	99.99%	Full Consolidation
DAC Developers SPV 2 Private Limited	99.99%	Full Consolidation
DAC Developers SPV 3 Private Limited	99.99%	Full Consolidation
DAC Developers SPV 4 Private Limited	99.99%	Full Consolidation
DAC Developers SPV 5 Private Limited	99.99%	Full Consolidation
DAC Developers SPV 6 Private Limited	99.99%	Full Consolidation
DAC Developers Delight LLP^	-	Full Consolidation
DAC Developers EPC Private Limited	99.99%	Full Consolidation
DAC Promoters^	-	Full Consolidation

Source: Company; ^entities are fully held by the same promoter

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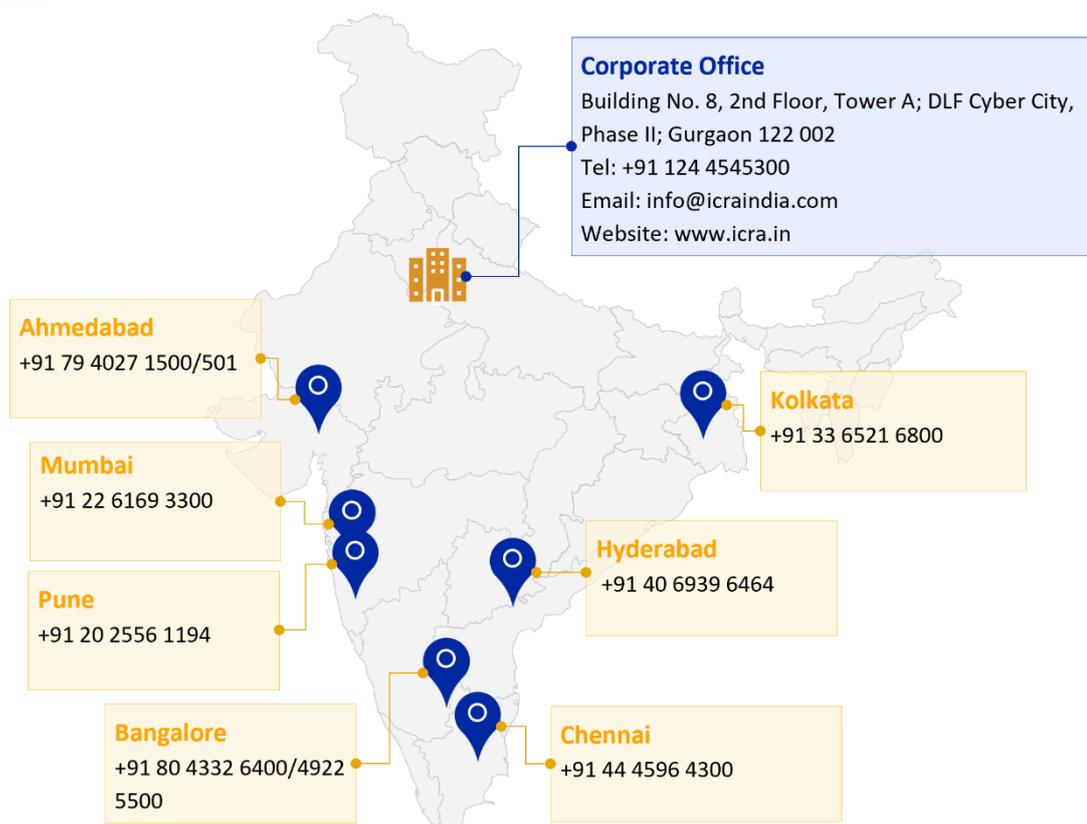
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