

October 09, 2020 ^{Revised}

Skyscape Developers Private Limited: Ratings downgraded to [ICRA]BBB(CE); 'negative' outlook removed; Rating placed on watch with negative implications and withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme	400.0	0.0	[ICRA]BBB(CE); Downgraded from [ICRA]A(CE); 'negative' outlook removed; rating placed on watch with negative implications and withdrawn
Total	400.0	0.0	

*Instrument details are provided in Annexure-1

Rating Without Explicit Credit Enhancement

[ICRA]B+

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

The Rs. 400 crore structured NCD programme of SDPL was backed by a unconditional, irrevocable and revolving DSRA (debt service reserve account) guarantee by Shapoorji Pallonji and Company Private Limited (SPCPL).

The revision in rating of structured debt programme follows the revision in the long-term rating of SPCPL (DSRA Guarantee Provider) to [ICRA]BBB+ (pronounced ICRA triple B plus) from [ICRA]A+ (pronounced ICRA A plus). The long-term rating of SPCPL has been placed on watch with negative implications and negative outlook has been removed. The rating has been withdrawn at the request of the company as the rated debt has been repaid and the same has been confirmed by the debenture trustee. This is in accordance with [ICRA's policy on withdrawal and suspension of credit rating](#). For link to previous rationale [click here](#).

Key rating drivers and their description: Not Applicable

Credit strengths: Not Applicable

Credit Challenges: Not Applicable

Liquidity position: Not Applicable

Rating sensitivities: Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Approach for rating debt instruments backed by third-party explicit support
Parent/Group Support	Parent/Group Company: Shapoorji Pallonji Group For arriving at the ratings, ICRA has taken into account the unconditional and irrevocable DSRA guarantee from SPCPL that would cover all the repayment obligations to the lender as per the terms of the transaction documents.
Consolidation/Standalone	Not Applicable since the rating is based on unconditional and irrevocable DSRA guarantee from SPCPL

About the company

Skyscape Developers Private Limited (SDPL) is one of the special purpose vehicles (SPV) of the Shapoorji Pallonji Group (SP Group), which is developing IT/ITeS focused commercial projects branded as “SP Infocity” across nine different locations in India. SDPL is involved in the construction of the aforesaid project at Manesar, Haryana. The company has received allotment of land admeasuring 38,212 square meters from Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) at Sector 8, marked in the layout plan of Integrated Manesar Township (IMT) Manesar. The overall project possesses a development potential of approximately 11.5 lakh square feet involving five independent blocks (three blocks dedicated for IT/ITeS companies and remaining blocks for residential & commercial purposes). The construction activities for three blocks were completed four years ago. The company has not undertaken any further construction activities at the project location owing to the absence of any sales or leases for the existing structures

Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	0.0	0.0
PAT (Rs. crore)	-46.9	-50.0
OPBDIT/OI (%)	-	-
RoCE (%)	4.4%	2.1%
Total Outside Liabilities/Tangible Net Worth (times)	-2.7	-2.2
Total Debt/OPBDIT (times)	-394.5	-445.6
Interest Coverage (times)	0.0	0.0
DSCR	0.2	0.1

About DSRA Guarantee Provider

Shapoorji Pallonji and Company Private Limited (SPCPL), is the flagship company of the Shapoorji Pallonji Group (SP Group), which is a diversified industrial conglomerate comprising of a group of companies held by the Mistry Family. The SP Group has a diversified presence across sectors such as construction (SPCPL, Afcons Infrastructure Limited), mechanical electrical and plumbing (Sterling & Wilson Private Limited), contracting (Sterling & Wilson Private Limited), water purification (Eureka Forbes Limited), infrastructure development (Shapoorji Pallonji Infrastructure Capital Company Private Limited), solar power generation and contracting (Sterling & Wilson Private Limited and Shapoorji Pallonji Infrastructure Capital Company Private Limited), floating production storage and offloading (FPSO) vessels (SP Oil & Gas Private Limited) etc. The SP Group is also the largest private shareholder (18.37%) in Tata Sons Private Limited, the holding company of the Tata Group.

SPCPL, which is held by Mistry family through various group companies, functions as the holding-cum-operating company of the SP Group. The company holds stakes in various listed and unlisted companies, within and outside the SP Group, and has significant investments in properties that have high market value. SPCPL is one of India's leading construction companies, with a heritage of more than 150 years. Over the years, SPCPL has built diverse civil and engineering structures such as factories, stadiums and auditoriums, airports, hospitals, housing complexes, and power plants.

For detailed rating rationale on Shapoorji Pallonji and Company Private Limited, [click here](#) for referring to the release published on ICRA website.

Key Financial Indicators (Standalone)

	FY2018	FY2019
Operating Income (Rs. crore)	9,823	13,474
PAT (Rs. crore)	342	368
OPBDIT/ OI (%)	13.4%	11.90%
RoCE (%)	11.6%	12.1%
Total Debt/ TNW (times)	2.9	2.7
Total Debt/ OPBDIT (times)	5.8	5.9
Interest coverage (times)	1.8	1.9

Source: Company, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2021)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2020		FY2019	FY2018
					09-Oct-2020	04-Dec-2019	28-May-2019	28-Nov-2018	22-Dec-2017
1	NCD	Long Term	0.0	0.0	[ICRA]BBB(CE)@; withdrawn	[ICRA]A(CE) (Negative)	[ICRA]A+(SO) &	[ICRA]AA-(SO) &	[ICRA]AA(SO) (Stable)

Amount in Rs. Crore; @: Rating watch with negative implications

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 [click here](http://www.icra.in)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE380W08017	NCD	03-Jan-17	9.35%	10-April-20	0.0	[ICRA]BBB(CE)@; withdrawn
INE380W08025	NCD	19-Jun-17	9.35%	10-April-20	0.0	[ICRA]BBB(CE)@; withdrawn

Source: SDPL; @: Rating watch with negative implications

Corrigendum

Rationale dated October 09, 2020 has been revised with changes as below:

Link added in the rationale section for ICRA's Policy on withdrawal of credit rating.

Analyst Contacts

Shubham Jain

+91 124 4545 306

shubhamj@icraindia.com

Anand Kulkarni

+91 22 6169 3326

anand.kulkarni@icraindia.com

Drashti Thakkar

+91 22 6169 3330

drashti.thakkar@icraindia.com

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Gaurav Mashalkar

+91 22 6114 3431

gaurav.mashalkar@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

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.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 020 6606 9999

© Copyright, 2020 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.