

March 30, 2023

## Sumadhura Infracon Private Limited: Rating downgraded based on best available information; Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Term Loan	305.00	305.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and continues to remain under Issuer Not Cooperating category.
<b>Total</b>	<b>305.00</b>	<b>305.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade is attributable to the lack of adequate information regarding Sumadhura Infracon Private Limited performance and in turn, 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](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the same may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Sumadhura Infracon Private Limited, ICRA has been trying to seek information from the entity to monitor its performance. Despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity 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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Real Estate Entities</a> <a href="#">Policy in respect of non-co-operation by the rated entity</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## About the company

Sumadhura Infracon Private Limited (SIPL) was formed in the year 2012 and is the flagship entity of Sumadhura Group involved in real estate development. Mr. G Madhushudhan, holds 58% share in the company while the balance is held by his family members. The company is primarily involved in residential real estate development and is currently executing six projects with a total saleable area of 4.34 msft (company's share of 3.11 msft) in Bengaluru and Hyderabad. It has plans to launch five projects a total saleable area of 6.7 msft (company's share of 5.9 msft) in next two-three fiscals. The company is present primarily in the residential real estate segment, and has a track record of over 16 years in the sector. Recently the group has ventured into the commercial office space segment, currently developing 1.2 msf of commercial space in Bangalore.

## Key financial indicators

	FY2021 (in crore)	FY2022 (in crore)
Operating income	292.18	409.00
PAT	34.01	36.69
OPBDIT/OI	20.80%	15.80%
PAT/OI	11.60%	9.00%
Total outside liabilities/Tangible net worth (times)	1.76	1.43
Total debt/OPBDIT (times)	2.01	2.42
Interest coverage (times)	4.10	3.24

Source-Company

## Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	CRISIL A- (Stable); ISSUER NOT COOPERATING	Oct 18, 2022

## Any other information: Not Applicable

## Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs.Crore)	Amount Outstanding (Rs.Crore)	Date & Rating in	Date & Rating in FY2022		Date & Rating in FY2020	Date & Rating in FY2019
					30-Mar-2023	10-Dec-2021	21-Apr-2021	30-Mar-2020	26-Dec-2018
1	Term-Loan	Long Term	305.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB (Stable) ISSUER NOT COOPERATING	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)

## Complexity level of the rated instrument

Instrument	Complexity Indicator
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 analyzing 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, is available on ICRA's website: [Click Here](#)

## Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term-Loan 1	Jan-17	-	Mar-20	35.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term-Loan 2	Jul-17	-	Jul-23	88.10	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term-Loan 3	May-18	-	Jul-22	31.20	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term-Loan 4	May-18	-	Jul-24	150.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Sumadhura Infracon Private Limited

## Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Sumadhura Infracon Private Limited	100.00%	Full Consolidation
Sumadhura Capitol Towers Private Limited	60.00%	Full Consolidation
Sumadhura Urban Estates Private Limited	50.00%	Full Consolidation

Source: Sumadhura Infracon Private Limited

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### Branches



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