

December 29, 2022

Sunteck Realty Limited: Rating Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Term Loan	575.00	575.00	[ICRA]AA-(Stable); Withdrawn
Long Term – Fund Based – Cash Credit	175.00	175.00	[ICRA]AA-(Stable); Withdrawn
Long Term – Unallocated Limits	250.00	250.00	[ICRA]AA-(Stable); Withdrawn
Total	1000.00	1000.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Sunteck Realty Limited at the request of the company and based on the No Objection Certificate received from the banker, and in accordance with ICRA's policy on withdrawal. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Rating Methodology for Real Estate Entities
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of SRL and its 18 wholly owned subsidiaries (refer Annexure-2).

About the company

SRL, founded in 2006, is a real estate developer focused on the Mumbai Metropolitan Region (MMR). It has undertaken major development in BKC, while other projects are under development in Oshiwara District Centre, Goregaon and Naigaon. It has completed a project portfolio comprising 3 mn sq ft area and has an ongoing development portfolio of 6.8 mn sq ft., with planned and forthcoming development of over 45 mn sq ft. Apart from MMR, the company has a small presence in other cities like Nagpur, Goa and Jaipur through completed or forthcoming projects. SRL is present across real estate segments, i.e. from affordable housing to luxury developments.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Key Financial Indicators

SRL Consolidated	FY2021 (Audited)	FY2022 (Audited)	H1 FY2023 (Audited)
Operating Income (Rs. crore)	608.8	513.1	224.2
PAT (Rs. crore)	47.6	23.9	20.4
OPBDIT/OI (%)	22%	19%	25%
PAT/OI (%)	8%	5%	9%
Total Outside Liabilities/Tangible Net Worth (times)	0.45	0.96	1.15
Total Debt/OPBDIT (times)	5.22	8.27	5.76
Interest Coverage (times)	1.56	1.23	1.48

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Note: Amount in Rs. crore; All calculations are as per ICRA Research Source: Company, ICRA Research

Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2023	Date & rating in FY2022		Date & rating in FY2021	Date & rating in FY2020
				Dec 29, 2022	Feb 10, 2022	Oct 29, 2021	Oct 29, 2020	Nov 22 2019
1 Fund Based	Long Term	575.00	-	[ICRA]AA-(Stable); Withdrawn	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-
2 Cash Credit	Long Term	175.00	-	[ICRA]AA-(Stable); Withdrawn	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-
3 Unallocated Limits	Long Term	250.00	-	[ICRA]AA-(Stable); Withdrawn	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-
4 Proposed NCD	Long Term	-	-	-	-	[ICRA]AA-(Stable) withdrawn	[ICRA]AA-(Stable)	-
5 Proposed Commercial Paper	Short Term	-	-	-	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+; withdrawn

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loan	Simple
Long Term – Fund Based – Cash Credit	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 No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Term Loan-1	FY2021		FY2026	300.0	[ICRA]AA- (Stable); Withdrawn
-	Term Loan-2	FY2021		FY2025	85.0	[ICRA]AA- (Stable); withdrawn
-	Term Loan-3	FY2022		FY2025	30.0	[ICRA]AA- (Stable); withdrawn
-	Term Loan-4	FY2022		FY2025	10.0	[ICRA]AA- (Stable); withdrawn
-	Proposed Term Loans	-		-	150.0	[ICRA]AA- (Stable); withdrawn
-	Long Term- CC	-		-	175.0	[ICRA]AA- (Stable); withdrawn
-	Long Term- Unallocated	-		-	250.0	[ICRA]AA- (Stable); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis:

Company Name	SRL Ownership	Consolidation Approach
Satguru Infocorp Services Private Limited	100.00%	Full Consolidation
Starlight Systems Private Limited	100.00%	Full Consolidation
Sunteck Property Holdings Private Limited	100.00%	Full Consolidation
Satguru Corporate Services Private Limited	100.00%	Full Consolidation
Sahrish Constructions Private Limited	100.00%	Full Consolidation
Sunteck Realty Holdings Private Limited	100.00%	Full Consolidation
Sunteck Lifestyle International Private Limited	100.00%	Full Consolidation
Sunteck Lifestyle Limited	100.00%	Full Consolidation
Sunteck Lifestyle Management DMCC	100.00%	Full Consolidation
Advait Infraprojects Private Limited	100.00%	Full Consolidation
Stardeck Lifestyle Private Limited	100.00%	Full Consolidation
Sunteck Infraprojects Private Limited	100.00%	Full Consolidation
Sunteck Real Estates Private Limited	100.00%	Full Consolidation
Skystar Buildcon Private Limited	100.00%	Full Consolidation
Starlight Systems (I) LLP	100.00%	Full Consolidation
Clarissa Facility Management LLP	100.00%	Full Consolidation
Mithra Buildcon LLP	100.00%	Full Consolidation
Magnate Industries LLP	100.00%	Full Consolidation
Shivay brokers private Limited (W.e.f. 19 th November 2020)	100.00%	Full Consolidation
Industele Property Private Limited (w.e.f. 1st November 2021)	100.00%	Full Consolidation
Prija Trading Private Limited (w.e.f. 18th February 2022)	100.00%	Full Consolidation
Sunteck Lifespace Private Limited (w.e.f. 2nd November 2021)	100.00%	Full Consolidation
Rammit Corporate Solutions Private Limited (w.e.f. 18th February 2022)	100.00%	Full Consolidation
Sunteck Infracon Private Limited (w.e.f. 30th March 2022)	100.00%	Full Consolidation
Piramal Sunteck Realty Private Limited	50.00%	Equity Method
Nariman Infrastructure LLP	50.00%	Equity Method
Uniworth Realty LLP	50.00%	Equity Method
GGICO Sunteck Limited	50.00%	Equity Method

Source: SRL annual report FY2022

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Branches



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