

Darshita Aashiyana Private Limited

April 17, 2019

Summary of rated instruments

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| Fund based facility | 100.00 | 100.00 | [ICRA]A(SO) (Positive) reaffirmed |
| Total | 100.00 | 100.00 | |

*Instrument details are provided in Annexure-1

Rationale

The rating is principally based on a corporate guarantee from Sattva Developers Private Limited (SDPL; rated [ICRA]A with Positive outlook) and an undertaking provided by the guarantor that it would ensure that the related debt obligations are serviced on or prior to the due date.

Please find below link to the last rating rationale of the guarantor.

[Rating rationale of guarantor](#)

Outlook: Positive

ICRA's rating has taken comfort from the irrevocable and unconditional corporate guarantee provided by SDPL for the credit facility availed by the company and hence the rating of DAPL will depend on the operational and financial performance of the guarantor.

Key rating drivers

Credit strengths

Corporate guarantee provided by SDPL to rated bank facilities of DAPL - The rating addresses the servicing of the loan to happen as per the terms of the underlying loan and the guarantee arrangements. The rating assumes that the guarantee will be duly invoked in case of a default in payment by the borrower. The rated instrument does not involve a structured payment mechanism.

Liquidity Position:

The liquidity of the company is expected to be driven by the liquidity profile of the guarantor.

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: Sattva Developers Private Limited (SDPL; rated [ICRA]A with Positive outlook) The assigned rating is based on an unconditional, irrevocable corporate guarantee extended by SDPL |
| Consolidation / Standalone | The rating is based on corporate guarantee and undertaking provided by the guarantor, that it would ensure that the related debt obligations are serviced on or prior to the due date |

About the company

DAPL, which was incorporated on May 13, 2016, is a special purpose vehicle of the Salarpuria-Sattva Group. The company operates as a seller on online marketplaces and mainly sells mobile phones under the electronic goods category. The operations commenced towards the end of FY2017.

About the guarantor

SDPL, the guarantor, and Salarpuria Properties Private Limited (SPPL) are the two flagship companies of the Salarpuria-Sattva Group founded in 1986 by Mr. G D Salarpuria. The Group is one of the leading real-estate developers in the Bangalore real-estate market and has completed more than 40 million square feet of development over the past 32 years. The group currently has a sizeable commercial real estate portfolio with estimated rental income potential of around Rs. 500 crore.

DAPL's key financial indicators (audited)

| | FY2017 | FY2018 |
|------------------------------|--------|--------|
| Operating Income (Rs. crore) | 4.8 | 2488.2 |
| PAT (Rs. crore) | 0.0 | 6.9 |
| OPBDIT/OI (%) | 1.2% | 0.75% |
| RoCE (%) | 3.0% | 35.9% |
| Total Debt/TNW (times) | 143.5 | 13.6 |
| Total Debt/OPBDIT (times) | 68.7 | 5.0 |
| Interest Coverage (times) | 2.1 | 2.1 |

SDPL's key financial indicators (audited)

| | FY2016 | FY2017 |
|------------------------------|--------|--------|
| Operating Income (Rs. crore) | 95.6 | 86.7 |
| PAT (Rs. crore) | 27.5 | 53.6 |
| OPBDIT/OI (%) | 40% | 54% |
| RoCE (%) | 18% | 20% |
| Total Debt/TNW (times) | 0.8 | 1.5 |
| Total Debt/OPBDIT (times) | 3.4 | 7.1 |
| Interest coverage (times) | 7.7 | 3.8 |

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

| | | Current Rating (FY2020) | | | Chronology of Rating History for the past 3 years | | |
|-------------------|-------------|---------------------------------|---------------------------------------|---|--|---|---------------------------------------|
| Instrument | Type | Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating | Date & Rating in | Date & Rating in | Date & Rating in |
| | | | | | FY2019 | FY2018 | FY2017 |
| 1 Cash Credit | Long Term | 100.0 | - | April 2019 [ICRA]A(SO) (Positive) | September 2018 [ICRA]A(SO) (Positive) | January 2018 [ICRA]A(SO) (Stable) | March 2017 [ICRA]A(SO) (Stable) |

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 www.icra.in

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 | Cash Credit | - | - | - | 100.00 | [ICRA]A (SO) (Positive) |

Source: DAPL

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