



Press Release
Suvita Real Estates Private Limited
February 21, 2024
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	105.00	ACUITE C Assigned Provisional To Final	-
Total Outstanding Quantum (Rs. Cr)	105.00	-	-

Rating Rationale

Acuite has converted the provisional rating of **ACUITE Provisional C (Read as Acuite Provisional C)** to final and assigned the long-term rating of **ACUITE C (read as ACUITE C)** on Rs. 105.00 Cr of Non-Convertible Debentures (NCDs) of Suvita Real Estate Private limited (SREPL)

The conversion from provisional rating to the final rating reflects the fulfilment of the appointment of a SEBI registered debenture trustee, execution of debenture trust deed, receipt of the final term sheet and confirmation from trustee regarding compliance.

Rationale for rating

The rating takes into account the delay in the repayments of existing NCD by company which was due on 30th September 2023. Further, the rating also factors in the refinancing of NCDs which happened at a significant higher coupon payment, creating an additional stress on its liquidity.

About the Company

Incorporated in 2019, Suvita Real Estate Private Limited (SREPL) is wholly own subsidiary of Shapoorji Pallonji Real Estate Private Limited (SPREPL) (Formerly known as Shapoorji Pallonji Construction Private Limited) and the ultimate parent company is Shapoorji Pallonji and Company Private Limited. The current directors of the company are Mr. Rajesh Baxi, Mr. Kanishka Phatak and Mr. Jotish Jha.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of SREPL to arrive at the rating.

Key Rating Drivers

Strengths

Strong and experienced promoter

Incorporated in 2019, Suvita Real Estate Private Limited is a wholly owned subsidiary of Shapoorji Pallonji Construction Private Limited which is further fully owned by Shapoorji Pallonji and Company Private Limited. SREPL on a standalone basis is not into any day-today operations. The Shapoorji Pallonji group is one of the well established and diversified group in

India, having operations in various fields such as construction, real estate, infrastructure, Water, Energy etc, having significant value of land and property holdings.

Weaknesses

Delay in repayment of previous NCD

SREPL in October 2020 has issued non-convertible debenture worth Rs.75.00 crore to Blackrock-Asia Pacific Private Credit Opportunities 1 Singapore Pte. Ltd which was due for repayment in September 2023. Further, the company has successfully issued a new NCD, which will be used to repay the existing NCD and creation of DSRA as mentioned in term sheet.

Higher Interest burden

The company has successfully refinanced the existing NCD. However, the refinancing of the same has happened at a significantly higher coupon rate creating an additional stress on liquidity of the company. Further the current NCD has been issued for a period of shorter period of 15 months, creating an additional repayment obligation in short term.

Rating Sensitivities

- Timely coupon payments

Liquidity Position

Poor

The liquidity of the company is marked poor as it had previously defaulted on its NCD repayment obligations. Further, the company has refinanced the same at a higher coupon payment. Going ahead, the group will be monetizing land to repay the current NCD.

Outlook : Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	15.50	0.00
PAT	Rs. Cr.	(4.92)	(5.87)
PAT Margin	(%)	(31.75)	0.00
Total Debt/Tangible Net Worth	Times	(9.33)	(12.81)
PBDIT/Interest	Times	0.72	0.64

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Jan 2024	Proposed Non Convertible Debentures	Long Term	10.00	ACUITE Provisional C (Assigned)
	Proposed Non Convertible Debentures	Long Term	95.00	ACUITE Provisional C (Reaffirmed)
20 Dec 2023	Proposed Non Convertible Debentures	Long Term	95.00	ACUITE Provisional C (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE0E1F07026	Non-Convertible Debentures (NCD)	12 Feb 2024	17.25	07 May 2025	Simple	95.00	ACUITE C Assigned Provisional To Final
Not Applicable	INE0E1F07026	Non-Convertible Debentures (NCD)	12 Feb 2024	17.25	07 May 2025	Simple	10.00	ACUITE C Assigned Provisional To Final

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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