



**Press Release**  
**Suvita Real Estates Private Limited**  
**January 07, 2025**  
**Rating Upgraded**

| Product                            | Quantum (Rs. Cr) | Long Term Rating              | Short Term Rating |
|------------------------------------|------------------|-------------------------------|-------------------|
| Non Convertible Debentures (NCD)   | 105.00           | ACUITE B-   Stable   Upgraded | -                 |
| Total Outstanding Quantum (Rs. Cr) | 105.00           | -                             | -                 |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                             | -                 |

**Rating Rationale**

Acuite has upgraded the long-term rating to '**ACUITE B-**' (read as **ACUITE B Minus**) from '**ACUITE C**' (read as **ACUITE C**) on Rs. 105.00 Cr. of Non-Convertible Debentures (NCDs) of Suvita Real Estates Private Limited (SREPL). The outlook is '**Stable**'.

**Rationale for rating upgrade**

The rating upgrade reflects the regularization of the account, as evidenced by the issuer's timely coupon payments on the NCDs till date. However, the rating is constrained by the high interest burden coupled with company's poor liquidity position, as it is entirely dependent on cashflows from its group company to meet future coupon payments and repayment of the NCD at the end of its tenure.

**About the Company**

Mumbai based, Suvita Real Estates Private Limited is incorporated in 2019 is wholly own subsidiary of Shapoorji Pallonji Real Estate Private Limited (Formerly known as Shapoorji Pallonji Construction Private Limited) which in turn is a subsidiary of 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**

**Extensive experience of promoter in real estate business**

SREPL is a wholly owned subsidiary of Shapoorji Pallonji Real Estate Private Limited (Formerly known as Shapoorji Pallonji Construction Private Limited). The Shapoorji Pallonji group is a 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.

**Timely debt servicing**

As of November 2024, SREPL has been consistent in making timely coupon payments of its existing debt obligations. These payments have been managed through the interest income generated from advances provided to a group company.

**Weaknesses**

**High interest burden**

The company had successfully refinanced the existing NCD in February 2024. However, the refinancing of the same has happened at a significantly higher coupon rate creating an additional stress on liquidity of the company. Furthermore, according to the terms of the NCD, if SREPL fails to repay the NCD within 12 months from the issuance date, the coupon rate will increase by 300 basis points retrospectively, adding an additional interest burden on the company.

**High dependence on group company for servicing near term debt**

The current NCD has been issued for a shorter period of 15 months, with repayment scheduled for May 2025. At present, the company does not have sufficient cashflows to meet the repayment obligations. According to the management, the repayment of the NCD will be financed through cashflows from the group company and the monetization of land within the group company which is marked as collateral of this rated NCD.

### **Rating Sensitivities**

- Timely servicing of debt obligation.

### **All Covenants**

- Hypothecation of 100% receivables, Development Rights, FSI of the collateral Security, and any other rights and benefits.
- Minimum Asset Cover of 0x at all times.
- Minimum Free Cash Flow Cover of 2.0x at all times.

### **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 issued by SREPL.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None.

## Key Financials

| Particulars                   | Unit    | FY 24 (Actual) | FY 23 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 15.50          | 15.50          |
| PAT                           | Rs. Cr. | (11.95)        | (4.92)         |
| PAT Margin                    | (%)     | (77.06)        | (31.75)        |
| Total Debt/Tangible Net Worth | Times   | (5.18)         | (9.33)         |
| PBDIT/Interest                | Times   | 0.52           | 0.72           |

**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>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities      | Term      | Amount (Rs. Cr) | Rating/Outlook                    |
|-------------|-------------------------------------|-----------|-----------------|-----------------------------------|
| 21 Feb 2024 | Non-Convertible Debentures (NCD)    | Long Term | 95.00           | ACUITE C (Assigned)               |
|             | Non-Convertible Debentures (NCD)    | Long Term | 10.00           | ACUITE C (Assigned)               |
| 08 Jan 2024 | Proposed Non Convertible Debentures | Long Term | 95.00           | ACUITE Provisional C (Reaffirmed) |
|             | Proposed Non Convertible Debentures | Long Term | 10.00           | ACUITE Provisional C (Assigned)   |
| 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 | Quantum (Rs. Cr.) | Complexity Level | Rating  |
|----------------|--------------|----------------------------------|------------------|-------------|---------------|-------------------|------------------|---|
| Not Applicable | INE0E1F07026 | Non-Convertible Debentures (NCD) | 12 Feb 2024      | 17.25       | 07 May 2025   | 95.00             | Simple           | ACUITE B-   Stable   Upgraded (from ACUITE C) |
| Not Applicable | INE0E1F07026 | Non-Convertible Debentures (NCD) | 12 Feb 2024      | 17.25       | 07 May 2025   | 10.00             | Simple           | ACUITE B-   Stable   Upgraded (from ACUITE C) |

## Contacts

|   |   |
|---|---|
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### About Acuité Ratings & Research

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