



Press Release
DWELLINGS STAR DEVELOPERS PRIVATE LIMITED
July 03, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	207.00	ACUITE A- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	207.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) on Rs.207 Cr. bank loan facilities of Dwellings Star Developers Private Limited (DSDPL). The Outlook is '**Stable**'.

Rationale for Rating

The rating assigned factors the full occupancy and overall improvement in rental income of its total leasable area with reputed clientele such as Network 18 Media, Bharti Airtel, PWC, Starbucks, among others. The rating provides additional comfort with the presence of DSRA for one quarter of debt obligation, routing of lease rentals through escrow account and utilization of rentals with waterfall mechanism. However, the rating is constrained by renewal risk which is in regard to tenure and lease rentals which will remain a key rating sensitivity factor.

About the Company

Uttar Pradesh based; Dwellings Star Developers Private Limited is a SPV (Special Purpose Vehicle) incorporated in the year 2016. The Directors of the company are Mr. Nishit Khandelwal, Mr. Neeraj Kumar Singla and Mr. Vijay Kumar. The company is engaged in the business of carrying out real estate activities and owns a Commercial Project having a total leasable area of approximately 7.25 lakh sq.ft. The commercial project is completely leased out as on date.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered standalone business and financial risk profile of Dwellings Star Developers Private Limited to arrive at this rating.

Key Rating Drivers

Strengths

Long Track of Operations

The company is now managed by Singla family as key promoters and had been the part of multiple project based SPV's for lease rental discounting under the brand name of SkymarkOne mainly in Delhi-NCR region. Currently, Tower-E, SkymarkOne, Sector 98, Noida, Uttar Pradesh is fully leased out with total leasable area of 7.25 lakh sq. ft. The project has a locational advantage of prime with a connectivity of Yamuna Expressway, Noida-Greater Noida Expressway and Delhi Noida Direct (DND) Flyway. The project is close to Delhi Metro stations nearby as Botanical Garden (Blue line) and Okhla Bird Sanctuary (Magenta Line).

Improving Operating performance with strong clientele

The company has entered into lease agreements with both corporate and retail stores with occupancy percentage of 99.64%. The company has received rentals of Rs. 48.02 Cr. in FY 25 (prov.) against Rs. 45.36 Cr. in FY 24. The expected rentals to be received by the company is ~Rs. 52 Cr. for FY 26. LOI's has been signed with strong & reputed clientele such as Airtel, Network 18 Media & Investments Limited, Simpliwork, Audi car showroom,

PWC, Starbucks, Tim Hortens, Shoppers Stop, Domino's, Dunkin Donuts, etc. Acuite believes that the company will be able to achieve the improve in the rental in medium term with price escalation clause inbuilt as a part of their contracts with all tenants of 15 % for three years.

Presence of DSRA, Escrow Account with Waterfall mechanism

The company is required to maintain DSRA equivalent to three months of debt servicing (principle & interest) to be created upfront before disbursement and to be maintained throughout the tenor of the facilities. In addition to that, all the lease rentals will route through the escrow account and payment will be utilized as per the waterfall mechanism. Acuite believes that such structured mechanism allows a Company to have better control over its cash flows and debt servicing abilities.

Weaknesses

Presence in highly competitive and fragmented nature of industry

The real estate industry in India is highly fragmented, with most of the real estate developers having a city or region-specific presence. The risks associated with the real estate industry are cyclical in nature (drop in property prices) and interest rate risk, among others, which could affect operations. The company is exposed to lease renewal risk, i.e., while renewing the lease agreements, any significant renegotiations by the lessees can adversely impact the cash flows.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

The company is required to maintain DSRA for three months of debt obligation along with the escrow and waterfall mechanism.

Rating Sensitivities

- Movement in lease rental and overall cash flows as envisaged by the company.
- Renewal of tenancy agreement

Liquidity Position

Adequate

The liquidity profile of the company is adequate marked by healthy lease rentals routed through escrow mechanism and presence of DSRA for three months resulted into additional cushion. Further, the company expected to have a comfortable average DSCR of 1.51 from FY 26 to FY 31. Going forward, Acuite believes that liquidity profile of the company is expected to improve in near to medium term following by the comfortable DSCR.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	48.02	45.36
PAT	Rs. Cr.	13.28	8.87
PAT Margin	(%)	27.67	19.55
Total Debt/Tangible Net Worth	Times	2.46	2.94
PBDIT/Interest	Times	1.87	1.70

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

None.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Lease Rental Discounting : <https://www.acuite.in/view-rating-criteria-106.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. 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 :

Not Applicable.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Lease Rental Discounting	25 Mar 2025	Not avl. / Not appl.	16 Mar 2035	207.00	Simple	ACUITE A- Stable Assigned

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Kartik Arora Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.