

## RATING RATIONALE

11 August 2023

### Suksha Developers Pvt. Ltd.

Brickwork Ratings downgraded the rating and continued the same in the Issuer Not Cooperating category for the secured NCDs of Rs.306.24 Crs of Suksha Developers Pvt. Ltd., based on best available information, as the issuer did not cooperate.

Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present \$		Previous (11 July, 2022)	Present
Secured NCDs	306.24	<b>306.24</b>	Long Term	BWR BB- (Stable) (Downgrade) Issuer Not Cooperating*	<b>BWR B - (Stable) Continues to be in Issuer Not Cooperating* category/ Downgrade</b>
Total	306.24	<b>306.24</b>	<b>Rupees Three Hundred Six crores and Twenty Four Lakhs only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\$present amount is considered to be the same as the previous amount

\* Issuer did not cooperate: Based on best available information.

\*\*Details of NCDs are provided in Annexure-I

### RATING ACTION / NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) had previously revised the rating of Suksha Developers Pvt Ltd (SDPL or the company) to BWR BB-/Stable/Issuer Not Cooperating, with change in the analytical approach from 'Credit Enhancement based on Corporate Guarantee' to a standalone approach in view of BWR's inability to assess the credit risk profile of the guarantor company, Sushma Buildtech Ltd, whose rating were also migrated to the Issuer Not Cooperating category.

The rating was due for review in July, 2023. BWR took up with the company via emails apart from telephone calls to provide the required information for review of ratings. Despite the efforts of BWR to get minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Hence, based on the best available information, feedback from debenture trustees, BWR had downgraded the ratings to BWR B-/Stable and continued the same in the "Issuer Not Cooperating" category.

## LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

## ANALYTICAL APPROACH - Standalone

BWR has factored in the standalone business parameters and financial risk profile of the company to arrive at the rating.

## COMPANY'S PROFILE

Suksha Developers Pvt. Ltd. (SDPL), incorporated in 2017, with its current registered office at B-107, first floor, Business Complex at Elante Mall, Industrial Area, Phase 1, Chandigarh, is engaged in developing residential and commercial real estate projects in Chandigarh, Zirakpur and Mohali, Binder Pal Mittal and Bharat Mittal are the promoters and directors in the company. SDPL is part of Chandigarh based Sushma Group, a leading real estate developer in Punjab with several completed and ongoing residential and commercial real estate projects in the state through its various group entities.

## KEY FINANCIAL INDICATORS (SDPL)

Key Financial Indicators	Units	FY20	FY21	FY22
Result Type		Audited	Audited	Audited
Operating Revenue	Rs. Crores	141.00	54.85	NA
EBITDA	Rs. Crores	31.90	44.73	NA
PAT	Rs. Crores	0.43	0.13	NA
Tangible Net worth	Rs. Crores	0.44	0.58	NA
Total Debt / TNW	Times	632.30	539.95	NA
Current Ratio	Times	2.90	2.47	NA

**NON-COOPERATION WITH PREVIOUS RATING AGENCY:** Not Available

**ANY OTHER INFORMATION :** Not Available

## RATING HISTORY FOR THE LAST 3 YEARS (INCLUDING WITHDRAWN/SUSPENDED)

Facilities Available	Current Rating (2023)			2022		2021		2020	
	Tenure	Amount (In Crs)	Rating	Date	Rating^	Date	Rating	Date	Rating
Secured NCDs	Long Term	306.24	<b>BWR B - (Stable) Continues to be in Issuer Not Cooperating* category/ Downgrade</b>	<b>11-July-2022</b>	<b>BB- (Stable) (Downgrade) Issuer Not Cooperating*</b>	<b>22-Jun-2021</b>	BWR BB+ CE (Stable) (CE) (Reaffirmation) & Unsupported rating BWR BB (Stable)(Upgrade)	<b>27-Mar-2020</b>	BWR BB+ CE (Stable) (CE) (Reaffirmation) & Unsupported rating BWR BB (Stable) (Reaffirmation)
						<b>24-Mar-2021</b>	BWR BB+ CE (Stable) (CE) (Reaffirmation) Issuer Not Cooperating* & ^Unsupported rating BWR BB- (Stable) (Downgrade) Issuer Not Cooperating*	<b>17-Jan-2020</b>	BWR BB+ CE (Stable) (CE) (Reaffirmation) & Unsupported rating BWR BB (Stable) (Assignment)
Total		306.24	Rupees Three Hundred Six crores and Twenty Four Lakhs Only						

\*Issuer did not Cooperate.: Based on the best available information.

^ with change in the rating criteria and analytical approach from 'Credit Enhancement based on Corporate Guarantee' to a standalone approach in view of the guarantor company, Sushma Buildtech Ltd, not being able to provide support through a valid rating.

### COMPLEXITY LEVELS OF THE INSTRUMENTS (Complex)

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Rating Criteria - Rating of Real Estate - Residential Projects](#)
- [What Constitutes Non-Cooperation](#)

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**Suksha Developers Pvt Ltd**  
**Details of NCDs rated by BWR**  
**[AS AVAILABLE WITH BWR in June,2021]**

**Annexure-I**

ISIN No.	Date of issue	Amt. (Rs. crs)	Listing status
INE02AA07012	11 Sept 2018	25	Listed
INE02AA07020	11 Sept 2018	25	Listed
INE02AA07038	11 Sept 2018	30	Listed
INE02AA07046	11 Sept 2018	6.24	Listed
INE02AA07053	15 Feb 2019	20	Unlisted
INE02AA07061	30 Dec 2019	40	Unlisted
INE02AA07079	30 Dec 2019	40	Unlisted
INE02AA07087	30 Dec 2019	40	Unlisted
Undisbursed^^	NA	80	NA
<b>Total</b>		<b>306.24</b>	

**Total Rupees Three Hundred Six crores and Twenty Four Lakhs only**

^^as per publicly available information INE02AA07095 & INE02AA07103 has been issued for Rs 40 Crs & Rs 40 Crs NCDs respectively.



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