



Press Release

Sugee Realty & Developers (India) Private Limited

March 31, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Issuer Rating	Not applicable	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Not applicable

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed issuer ratings of SRDIPL reflects strategic location of redeveloped properties which increases project attractiveness, medium tenured projects mostly funded by customer's advances, relatively low reliance on external debt and adequate cash coverage ratio, timely completion of the projects by the Sugee group with high sales velocity, completion of funding tie-ups for the projects under development and experience of the promoters and management of the Sugee group in real estate sector. The ratings are, however, constrained by project execution and marketing risk associated with the ongoing projects and exposure to risks relating to cyclical in real estate sector.

The ratings have been assigned a stable outlook as the SRDIPL's business and financial risk profile is expected to be maintained at the current levels over the medium term.

Key Rating Sensitivities:

Upward Factors

- Scheduled progress of the projects being developed by the Sugee group
- Substantial increase in the sale of units leading to adequate cash flow generation.

Downward Factors

- Any cost or time overrun in completing the ongoing projects of the Sugee group



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- Weaker-than-anticipated sales performance and lower-than-expected collections/ customer advances leading to cash flow mismatches.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strategic location of redeveloped properties which increases project attractiveness**

The Sugee group, through its subsidiary entities/ step-down subsidiary entities, is currently executing various projects at various prime locations of Mumbai such as Dadar, Matunga, Worli, Prabhadevi etc. which increases the attractiveness of the projects. Paucity of land, given the typical topography of Mumbai city, prime location of the projects, status of prime financial hub for Mumbai amongst other factors keeps the demand prospects for residential projects in the island city high, as is also reflected in the healthy per square feet realizations of the Sugee group.

- **Medium tenured projects mostly funded by customer's advances, relatively low reliance on external debt and adequate cash coverage ratio**

The Sugee group is currently executing 11 projects covering an area of 17.89 lakh sq. ft. The projects which are currently underway are mostly medium tenured with an estimated construction period between 36 and 42 months. These are being funded by customer advances followed by promoter's contribution with limited reliance on external debt. The presence of DSRA and escrow mechanism as also the favourable repayment schedule further accentuates the debt servicing ability for the group. As such the cash coverage ratio for the group is adequate to service its debt obligations over the tenure of the ongoing projects.

- **Timely completion of the projects by the Sugee group with high sales velocity**

The Sugee group has delivered 100% of the projects within the timelines approved by bankers. Further, there hasn't been any cost overruns on its projects over the years. Nevertheless, timely completion of the projects without cost overrun and increase in debt levels than that envisaged would be a key monitorable, going forward.



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- **Completion of funding tie-ups for major projects under development**

The Sugree group is currently executing 11 projects, over an area of 17.89 lakh sq. ft. The projects have SCOD up to December 2027. Around 10 projects tie-up for debt has already taken place and 1 of the project i.e. Sea Krest financial closure is under progress, with disbursements also happening as per the plan, which reduces funding risk to a large extent.

- **Experience of the promoters and management of the Sugree group in real estate sector**

The Sugree group is promoted by Mr. Nishant Deshmukh and Mr. Subhash Deshmukh. The key director, Mr. Nishant Deshmukh has a significant experience of more than a decade. The group specializes in redevelopment of old residential properties in Mumbai city region. The promoters are well supported by an experienced team of professionals who have an extensive experience across various functions. The promoters also have an extensive land bank on outskirts of Mumbai which could be easily monetized.

Key Rating Weaknesses

- **Project execution and marketing risk associated with the ongoing projects**

The Sugree group's projects are under various phases of construction, as also the sales across these projects are at different stages. Achieving the envisaged realisation for the unsold inventory while maintaining the sales momentum remains crucial going forward. With the progress of construction, the sales momentum is likely to accelerate providing adequate cash flows. The implementation period makes the company susceptible to time and cost overruns, which may affect profitability.

Out of total envisaged project cost of Rs.2485.46 crore for ongoing projects, the group has incurred total cost of Rs.1920.72 crore as on December 31, 2024, funded by promoters' contribution of Rs.468.15 crore, term Loan of Rs.349.75 crore, advances from customers of Rs.1099.22 crore and creditors of Rs.3.60 crore. The group has sold 302 units out of total 416 units under construction and has collected Rs.1099.22 crore till December 31, 2024. Although the projects are on schedule, project implementation risk remains as the cost incurred on construction on the ongoing projects stood at ~71.48% as on December



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31, 2024. A continuous flow of customer advances is essential for smooth physical progress of the project which will depend on the company's ability to sell at attractive prices.

- **Exposure to risks relating to cyclicalities in real estate sector**

Cyclicalities in the real estate segment could lead to fluctuations in cash inflow because of volatility in realization and saleability. This may impact the debt servicing ability of the group. Sugee Group will remain susceptible to the inherent cyclicalities in the real estate sector.

Analytical Approach: Consolidated

Infomerics has taken a consolidated approach for the Sugee group of entities basis that Sugee Realty and Developers (India) Private Limited (SRDIPL) is the holding company for following entities and their subsidiaries, namely:

Name of the company	% holding with SRDIPL
SRDIPL	Holding company
SBPL	99.99%
Sugee Builders Private Limited (SBuPL)	99.99%
Sugee Developers Private Limited (SDPL)	99.99%
Sugee Enterprises Private Limited (SEPL)	99.99%
Sugee Estates Private Limited (SEsPL)	99.99%
Sugee Projects Private Limited (SPPL)	99.99%
Sugee Realtors Private Limited (SRPL)	99.99%
The Strokes & Ground, Unipessoal LDA (TSG)	100%

Further, the entities in the Sugee group have common promoters and management, largely the Deshmukh family, and have linkages with the parent company. The extent of consolidation is full.

Applicable Criteria:

[Rating Methodology for Real Estate Entities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)



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[Issuer Ratings](#)

[Consolidation of companies](#)

Liquidity – Adequate

The projects under development by Sugree group are funded by a combination of debt, customer advances and promoter funds. The group is projected to have adequate cash coverage ratio to service its debt obligations over the tenure of the ongoing projects. Further, the group is expected to benefit from the availability of the huge land bank it has in and around Mumbai. Overall, the liquidity position of the Sugree group is expected to remain adequate.

About the Company

The Mumbai based SRDIPL was incorporated in the year 2016. It is closely held company held by the Deshmukh Family members and a part of Sugree Group. SRDIPL is engaged in real estate development business. SRDIPL has been promoted by the Mr. Nishant S. Deshmukh and Mr. Subhash V. Deshmukh. SRDIPL is the holding company of all the companies under Sugree group which includes SBPL, Sugree Builders Private Limited, Sugree Developers Private Limited, Sugree Enterprises Private Limited, Sugree Estates Private Limited, Sugree Projects Private Limited, Sugree Realtors Private Limited, The Strokes & Ground and their subsidiaries.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	205.83	258.99
EBITDA	28.68	56.64
PAT	0.93	4.89
Total Debt	709.05	882.52
Tangible Net Worth	279.05	366.48
EBITDA Margin (%)	13.93	21.87
PAT Margin (%)	1.25	2.43
Overall Gearing Ratio (x)	2.54	2.41
Interest Coverage (x)	1.11	1.14

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security /Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					March 12, 2024		August 14, 2021
1.	Issuer Rating	Not Applicable	Not Applicable	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB/ Stable (December 21, 2022) IVR BB+; INC (October 31, 2022)	IVR BBB-/ Stable

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Issuer Rating	--	--	--	--	--	IVR BBB/ Stable

Annexure 2: Facility wise lender details: Not applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis are subsidiaries of SRDIPL and their step down subsidiaries:

Name of the company	Consolidation approach
SRDIPL	Full Consolidation
Saumya Buildcon Private Limited (SBPL) (IVR BBB/ Stable)	Full Consolidation
Sugee Builders Private Limited (SBuPL)	Full Consolidation
Sugee Developers Private Limited (SDPL)	Full Consolidation
Sugee Enterprises Private Limited (SEPL)	Full Consolidation
Sugee Estates Private Limited (SEsPL)	Full Consolidation
Sugee Projects Private Limited (SPPL)	Full Consolidation
Sugee Realtors Private Limited (SRPL)	Full Consolidation
The Strokes & Ground, Unipessoal LDA (TSG)	Full Consolidation
Sugee Realtors One LLP (SR1LLP)	Full Consolidation



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Sugee Two Developers LLP (S2DLLP)	Full Consolidation
Sugee Three Developers LLP (S3DLLP)	Full Consolidation
Sugee Four Developers LLP (S4DLLP)	Full Consolidation
Sugee Five Developers LLP (S5DLLP)	Full Consolidation
Sugee Six Developers LLP (S6DLLP)	Full Consolidation
Sugee Seven Developers LLP (S7DLLP)	Full Consolidation
Sugee Eight Developers LLP (S8DLLP)	Full Consolidation
Sugee Nine Developers LLP (S9DLLP)	Full Consolidation
Sugee Ten Developers LLP (S10DLLP)	Full Consolidation
Sugee Eleven Developers LLP (S11DLLP)	Full Consolidation
Sugee Twelve Developers LLP (S12DLLP)	Full Consolidation
Sugee Fifteen Developers LLP (S15DLLP)	Full Consolidation
Sugee Sixteen Developers LLP (S16DLLP)	Full Consolidation
Sugee Eighteen Developers LLP (S18DLLP)	Full Consolidation
Sugee Nineteen Developers LLP (S19DLLP)	Full Consolidation
Sugee Twenty Developers LLP (S20DLLP)	Full Consolidation
Sugee Twenty One Developers LLP (S21DLLP)	Full Consolidation
Sugee Twenty Three Developers LLP (S23DLLP)	Full Consolidation

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.