

## Arun Excello Homes Private Limited

February 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	350.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Arun Excello Homes Private Limited (AEHPL) to monitor the ratings vide e-mail communications dated February 12, 2025, February 19, 2025, etc., and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which, however, in CARE Ratings opinion is not sufficient to arrive at a fair rating. The rating of AEHPL's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings have been revised on account of non-receipt of required information despite repeated requests. Ratings assigned to the bank facilities of Arun Excello Homes Private Limited factors in the delay in servicing of debt obligations.

### Analytical approach: Combined

CARE Ratings Limited (CARE Ratings) has combined the business and financial risk profiles of Arun Excello Homes Private Limited, Arun Excello Realty Private Limited, Arun Excello Construction LLP and Arun Excello Foundations (combinedly known as Arun Excello Group) as all these entities have common promoters, are engaged in real estate development, and also exhibit cash flow fungibility among them.

**Outlook:** Not Applicable

### Detailed description of key rating drivers:

At the time of previous rating published on March 22, 2024, the following were the key rating drivers. The same has been updated with available information.

### Key weaknesses

#### Slower monetization of ongoing projects

Collection during 11MFY24 stood at Rs.138 Cr vis-à-vis Rs.100 Cr during FY23 (Sales during 11MFY24: Rs.169.46 Cr and during 11MFY23: Rs.176.54 Cr). The group operates in three major segments such as compact housing, luxury living and plotted land development. Balance overall project cost (including construction) for the ongoing projects as on February 24 end was at Rs.109 Cr as against which the committed receivables from sold units stood at Rs.74 Cr.

#### High dependence on debt

External borrowings of the group remained high at Rs.630 Cr (UA) as on February 2023 end. Out of these loans, repayment of major portion of the term loan debt was scheduled to commence in FY24, on which repayment period has now been deferred.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

### Exposed to cyclical nature of the real estate market and regional concentration

Currently all the projects being executed by Arun Excello Real Estate group is in Chennai with no geographical diversification of projects which exposes the group to regional concentration risk. The demand volatility of Chennai real estate market continues to remain high especially due to the events in the last few years including natural calamities, COVID-19 pandemic and general slowdown expected especially in the compact housing segment.

### Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Arun Excello Homes Private Limited (incorporated in 2007) is one of the entities engaged in real estate activities from the Arun Excello Group of companies in Chennai. The group originally started Arun Fabricators, a partnership firm, in the year 1987 by Mr. Suresh (current MD for the whole Arun Excello Group) along with other partners who has more than 2-3 decades of experience in EPC and real estate segment. The group diversified into residential real estate segment during 1997.

#### Standalone financial of AEHPL

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	16.66	72.30	51.55
PBILDT	21.01	17.79	12.61
PAT	-14.18	-15.58	-8.88
Overall gearing (times)	2.15	3.34	3.56
Interest coverage (times)	0.35	0.26	0.18

A: Audited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	15-05-2028	350.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	350.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (22-Mar-24)	1)CARE BB; Stable (23-Mar-23)	1)CARE BB+; Stable (28-Dec-21)

\*Issuer did not cooperate; based on best available information.

LT: Long term.

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

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