

ESSEL INFRA LLP

April 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	90.00	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of the Suncity Group—comprising Suncity Projects Private Limited (SPPL), Suncity Hi-Tech Projects Private Limited (SHPPL), and Essel Infra LLP (EILLP)—continues to draw strength from the experienced and resourceful promoter group, which has an established track record in delivering residential real estate projects and a strong brand presence in the National Capital Region (NCR). The ratings are further supported by the group's comfortable financial risk profile, characterised by low reliance on external debt as a percentage of total project cost and adequate debt coverage indicators, along with the availability of a sizeable land bank that provides visibility for future project development. However, the strengths are partially offset by moderation in sales momentum and collections over the 12-month period ended December 2025, resulting in moderation in committed receivables to fund balance project cost and outstanding debt ratio to below 40%. The ratings also remain constrained by the group's dependence on fresh sales to meet the balance project cost and debt obligations, exposure to project execution and saleability risks, and the inherently cyclical nature of the real estate industry. CARE Ratings Limited (CareEdge Ratings) also notes the favourable resolution of the Enforcement Directorate (ED) investigation against the group under the Prevention of Money Laundering Act, 2002, wherein the appellate tribunal, vide its order dated March 16, 2026, set aside the attachment order.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in sales velocity, leading to annual collections above ₹750 crore on a sustained basis.
- Significant improvement in receivable coverage ratio for the ongoing projects on a sustained basis.

Negative factors

- Significant weakening in the receivable coverage ratio below 40% on a sustained basis.
- Considerable decline in the operational cashflows (Less than ₹500 crore on an annual basis) of the group due to lower than-envisaged sales momentum.

Analytical approach: Combined

CareEdge Ratings has taken a combined view of five entities of the Suncity Group that are engaged in real estate development, considering their common promoters, presence in a similar line of business, shared brand name, and demonstrated cash flow fungibility, supported by a track record of financial support among the entities. Accordingly, the analytical approach reflects the operational and financial linkages among the group companies. The list of entities considered under the combined approach is presented in Annexure-6.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation of improvement in sales momentum backed by the group's demonstrated track record in residential projects.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:**Key strengths****Experienced and Resourceful promoter group**

The Suncity Group is engaged in real estate development, primarily in Gurgaon/NCR market. The group is promoted by Laxmi Narain Goel and Subhash Chander Aggarwal, having extensive experience in diversified businesses such as EV assembly, real estate (schools, hospitals, retail malls, warehousing, among others). Suncity Group has a healthy portfolio of real estate projects such as residential, commercial, mixed-use, and townships. The group has developed 38 real estate projects of ~510 lsf of saleable area, most of which were undertaken in Gurgaon/NCR region.

Comfortable funding pattern and leverage profile

Ongoing projects are being funded through a low level of debt (~19%), promoter's funds (~24%) and balance through customer advances. As on December 31, 2025, the group has incurred ~₹1125 crore on its ongoing projects, with debt contributing only ~₹124.30 crore, which constitutes only 11% of the total project cost. Going forward, the group is expected to avail external debt of ~₹415 crore on a total project cost of ~₹2175 crore, maintaining the debt at 20% of the total project cost. For ongoing housing and commercial projects, given the strong sales momentum, the balance funding is expected to be majorly met through customer advances.

As on December 31, 2025, the group's total external debt increased to ~₹477 crore from ~₹386 crore as on March 31, 2025. Debt level increased due to funding availed for launching of new projects. In the last five fiscal years ending March 31, 2025, gearing ratio remained comfortable below unity and despite an increase in debt in 9MFY26, it is expected to remain below unity. Going ahead, the group is expected to launch new residential and plotting projects, which might increase reliance on external debt. However, it is expected to partly offset by accelerated repayments in existing term loans, and accordingly, on net basis, debt levels are expected to remain at similar levels and gearing is expected to remain below unity.

Availability of huge land bank

Suncity Group has a fully paid land bank of ~1,056 acres, primarily spread across Delhi-NCR, Jaipur, Mathura, Rohtak, Rewari, Kaithal and Dehradun. The land bank provides financial flexibility to the group and ability to construct the future projects at a relatively lower cost, considering that land has already been purchased.

Key weaknesses**Project saleability risk and inventory overhang**

The group is exposed to saleability risk across completed and ongoing projects, given its sizeable inventory valued at over ₹3,920 crore in completed projects and over ₹2,863 crore in ongoing developments. The risk is relatively higher in newly launched projects, as sales traction is closely linked to construction progress and project completion milestones. Demand in certain micro-markets has remained relatively subdued, leading to moderation in sales momentum and elevated unsold inventory levels. While housing projects have demonstrated relatively better traction, plotting projects are being monetised in a phased manner over four to five years to benefit from price appreciation. At the current sales velocity, liquidation of unsold housing inventory is expected to take around 36 months. Timely monetisation of inventory remains critical from a credit perspective.

Moderate execution progress and deteriorating receivable coverage ratio

The group is developing two housing, four plotting, and four commercial projects with an aggregate project cost of approximately ₹2,175 crore. Execution progress remains moderate, with around 44%, 69%, and 62% of total project costs incurred for housing, plotting, and commercial projects, respectively, as on December 31, 2025. The committed receivables from sold units provide moderate coverage of the balance project cost and outstanding debt, with the receivable coverage ratio standing at around 36% (as compared to 48% in previous year). Consequently, the group continues to exhibit a relatively higher reliance on fresh sales to fund the remaining project expenditure and service its debt obligations. Although the value of unsold inventory offers adequate notional cover over the balance cost and debt, the timely liquidation of such inventory remains a key monitorable.

Exposure to cyclical real estate industry

The group's operations remain susceptible to the inherently cyclical nature of the real estate sector, which is influenced by macroeconomic conditions, liquidity availability, and regulatory changes. Any adverse movement in these factors could affect sales velocity and cash flow generation, thereby impacting the group's credit profile.

Liquidity: Adequate

As on March 31, 2025, the group had cash and bank balance of close to ₹195 crore against debt obligations of close to ₹169.40 crore in the next four quarters. The group also has receivables from sold units to the tune of ~₹518 crore, which provides cash

flow visibility in the near term. With the expectation of sales of unsold units per current sales momentum, collection is expected to remain comfortable to service its upcoming debt obligations.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[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

The group is promoted by Laxmi Narain Goel and Subhash Chander Aggarwal. The group has long-standing presence in real estate development, primarily in the Gurgaon/NCR region. SPPL is the flagship entity of the group and was incorporated in 1997. The group has completed 38 projects, which includes development of townships, residential/group housing projects, commercial projects, shopping mall projects, and educational institute with a total saleable area of over 510 lakh square feet (Isf).

Combined financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	1054.88	1015.55
PBILDT*	274.50	414.87
Profit after tax (PAT)	130.37	234.76
Overall gearing (x)	0.63	0.66
Interest coverage (x)	2.46	3.22

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Standalone financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	18.14	75.10
PBILDT	25.21	59.21
Profit after tax (PAT)	4.84	17.83
Overall gearing (x)	5.16	1.28
Interest coverage (x)	0.86	1.29

A: Audited UA: Unaudited; 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		-	-	August 2029	90.00	CARE BBB+; Stable

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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	90.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (20-Mar-25)	-	-

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 lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Suncity Projects Private Limited	Full	Operational and financial linkages
2	Suncity Hi-Tech Projects Private Limited	Full	Operational and financial linkages
3	Suncity Buildcon Private Limited	Full	Operational and financial linkages
4	Essel Housing Projects Private Limited	Full	Operational and financial linkages

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

Contact us

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