

IREO Grace Realtech Private Limited

March 03, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	47.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not Cooperating; based on best available information
Total	47.50 (Rs. Forty Seven Crore and Fifty Lacs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from IREO Grace Realtech Private Limited to monitor the rating(s) vide e-mail communications/letters dated February 19, 2020, January 22, 2020, January 15, 2020, September 25, 2019 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 has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating of IREO Grace Realtech Private Limited 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 take into account non-receipt of information including No Default Statement (NDS) for the past six months.

Detailed description of the key rating drivers

At the time of last rating on March 29, 2019, the following were the rating strengths and weaknesses

Key Rating Weaknesses

Delays in servicing of debt obligations

The company has delayed in debt repayment on account of cash flow mismatches on the back of subdued real estate scenario, significant drop in sales momentum and sales realizations.

Key Rating Strengths

Experienced promoters and management team

IGRPL is promoted by IREO, a private equity fund with assets of ~USD 1.7 billion invested in India. IGRPL is managed by professionals with experience in the real estate industry. The overall operations of the company are managed by team of professionals which includes Mr. Anupam Nagalia (Chief Operating Officer), who is a qualified Chartered Accountant and Company Secretary. Before joining IGRPL, he has worked with Vatika Group. Mr. Jai Bharat Aggarwal (Director Finance) is responsible for making financial decisions for the company. IREO group has established its track-record of delivery with completion of two group housing projects in group company Ireo Private Limited having more than 27.59 lakh square feet (Isf) of saleable area in Gurgaon region. Furthermore, IREO Group has also handed over 22 villas, 17 floors and 205 plots in township project at Ludhiana developed under group company Ireo Waterfront Private Limited and handed over 200 plots in Mohali developed under group company Puma Realtors Private Limited.

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Incorporated in 2010, Ireo Grace Realtech Private Limited (IGRPL) is part of the IREO group, a real estate private equity fund with investable assets of ~USD 1.7 billion. Presently, IGRPL is developing a residential group housing project in Gurgaon

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

under the name of 'IREO The Corridors'. IGRPL has accumulated land bank in Gurgaon region and proposes to launch more projects going forward. Presently, IGRPL has launched one GH housing project (The Corridors) on a land area of 37.5 acres comprising of 2,009 units.

Brief Financials

Particulars	2017 (A)	2018 (A)
Income from Continuing Operations	409.92	80.55
PBILDT	119.75	38.84
PAT	23.80	-8.44
Overall Gearing	0.75	1.46
PBILDT Interest Coverage	3.64	0.82

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - LT-Bank Guarantees	-	-	-	47.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Non-fund-based - LT-Bank Guarantees	LT	47.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (01-Apr-19)	1)CARE D; ISSUER NOT COOPERATING* (15-Mar-19) 2)CARE D (19-Jul-18) 3)CARE BB; Negative (04-Jul-18)	1)CARE BBB-; Negative (16-Jan-18)	-

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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