



Press Release
DEETA CONSTRUCTIONS PRIVATE LIMITED
September 24, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	467.00	ACUITE D Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	467.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE D' (read as ACUITE D)** to the Rs.467.00 Cr. bank facilities of Deeta Constructions Private Limited (DCPL).

Rationale for reaffirmation of rating

The rating reaffirmation is on account of delays in servicing of term loan and irregular account conduct as per the written feedback received from the bank. Consequently, the account is currently marked as SMA-2 by bank. The same has been confirmed by the issuer through the default statement for the month of July 2025 and Aug 2025.

About the Company

Deeta Constructions Private Limited (DCPL) is a Karnataka-based company incorporated in 2006. The company is engaged in activities relating to real estate. The company is managed by Mr. Methuku Srinivas and Mr. Gopinath Raj Kumar. DCPL is a subsidiary of Propcare Developers Private Limited (Erstwhile Mantri Developers Private Ltd) holding 99.99 percent as on 31.03.2025, and it is a part of Mantri Group. DCPL operates a commercial complex named Mantri Commercio, located in Marathahalli, Bangalore. The total area of the building is 4.69 lakh sq. ft.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of Deeta Constructions Private Limited (DCPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record in real estate

Deeta Constructions Private Limited (DCPL) is managed by Mr. Methuku Srinivas and Mr. Gopinath Raj Kumar. DCPL is a subsidiary of Propcare Developers Private Limited (Erstwhile Mantri Developers Private Limited) holding 99.99 percent as on 31.03.2025, and it is a part of Mantri Group, which has more than two decades of experience in the real estate and construction business. Mantri Group has a long track record of executing residential and commercial projects in cities like Bengaluru, Hyderabad, Chennai, Pune, and Delhi.

Weaknesses

Net-level losses persist despite an improvement in rental income.

DCPL's operating revenue has marginally improved to Rs.30.50 Cr. in FY2025(Prov.), as against Rs.27.87 Cr. in FY2024. This improvement is due to higher occupancy. During the 5M FY2026, the company registered a revenue

of Rs 14.5 Cr. and expected to close the year with a revenue of Rs. 35 Cr. The operating profit margin improved to 77.75 percent in FY2025 (Prov.) due to better absorption of overheads. The net losses narrowed down to Rs. -14.34 Cr. in FY2025(Prov.) compared to Rs -26.21 Cr. in FY2024, primarily supported by interest earned of Rs 45.12 Cr. and Rs 37.17 Cr. for the FY2025(Prov.) and FY2024 respectively by giving loans and advances to related parties.

Instance of delay and irregularities in account conduct

There have been recurring delays in the servicing of DCPL's term loan obligations, as confirmed by the written feedback received from the bank and evidenced by the issuer's default statements. Currently, the account classification is SMA-2 as per lender's feedback.

Rating Sensitivities

- Timely servicing of its debt obligations.

Liquidity Position: Poor

The company's liquidity position is poor as there are continuous delays in servicing of debt obligations. As on March 31, 2025(Prov.), the company reported negative cash accruals of Rs 6.42 Cr, indicating that its internal cash generation is inadequate to meet its current portion of long-term debt obligations.

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	30.50	27.87
PAT	Rs. Cr.	(14.34)	(25.68)
PAT Margin	(%)	(47.00)	(92.16)
Total Debt/Tangible Net Worth	Times	(3.41)	(3.79)
PBDIT/Interest	Times	0.92	0.77

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Lease Rental Discounting : <https://www.acuite.in/view-rating-criteria-106.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jun 2024	Lease Rental Discounting	Long Term	467.00	ACUITE D (Reaffirmed)
31 Mar 2023	Lease Rental Discounting	Long Term	467.00	ACUITE D (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Lease Rental Discounting	Not avl. / Not appl.	Not avl. / Not appl.	28 Dec 2034	467.00	Simple	ACUTE D Reaffirmed

Contacts

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About Acuité Ratings & Research

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