



Press Release
SURUCHI PROPERTIES PRIVATE LIMITED
July 23, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	450.00	ACUITE BB- Stable Reaffirmed	-
Non Convertible Debentures (NCD)	450.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	450.00	-	-
Total Withdrawn Quantum (Rs. Cr)	450.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE BB-**' (read as **ACUITE Double B Minus**) on the Rs.450.00 Cr. Non-Convertible Debentures of Suruchi Properties Private Limited (SPPL). The outlook is '**Stable**'.

Acuité has withdrawn its long-term rating on the Non-Convertible Debentures of Rs.450.00 Cr. of Suruchi Properties Private Limited (SPPL). These NCDs are withdrawn without assigning any rating as the facilities have been redeemed. The withdrawal is on receipt of request from the company; confirmation on redemption of the debentures from the trustee and in accordance with Acuité's policy on withdrawal of ratings as applicable to the respective facility/ instrument.

Rationale for rating

The rating reaffirmation takes into account the continued sales momentum with 34.50%/90.62% of area sold in Regalia project (also known as Golfview)/Wintersun Ph-2 project respectively till 31st March, 2025. Further, the rating also factors the debt refinancing through issuance of NCD's of Rs.450 Cr. leading to moderate improvement in debt service coverage ratio; driven by reduced interest rates, lower redemption premium and elongated repayment schedules with moratorium of 12 months from disbursement.

However, the rating remains constrained on account of high implementation risk with 88.78% & 85.48% of cost yet to be incurred for Regalia and Wintersun Ph-2 project respectively and significant dependence on cash collections for incurring balance cost. The rating also factors low collections to the extent of 18.09% in Regalia and 46.59% in Wintersun Ph-2, timely receivable of which is a key rating monitorable. The rating remains strengthened by experience and established track record of Century group in Bangalore's real estate market and ownership of land parcels at multiple locations however remains constrained with a historical track record of debt servicing issues.

About the Company

Incorporated in 2003, Suruchi Properties Private Limited is a real estate company, part of the Century Group, based in Bengaluru. The company is engaged in execution of residential and commercial projects and managed by Mr. Ashwin Pai and Mr. Ravindra Pai. Currently, SPPL is engaged in development of residential project namely Regalia (interchangeably known as Golfview/Build Rare) located at Indiranagar, Bangalore with total saleable area of 8,95,180 Sq. ft. Further, other projects under the group includes a residential project named Wintersun plots and villas with total saleable area of 1,83,300 Sq. ft. under a group firm, Century Northside.

About the Group

Established in 1973, Century Real Estate Holdings Private Limited is a leading professional real estate builder and developer based in Bengaluru. The company has over 3,000 acres of land bank and over 20 million sq. ft. of quality residential and commercial assets under construction. Further, Century group has various ongoing projects across Bengaluru offering residential options, from plots and villas to apartments.

Unsupported Rating
Not Applicable.

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Currently, Acuité has consolidated the cashflows of Suruchi Properties Private Limited and its group company i.e Century Northside. The consolidation is in view of the operational and financial linkages along with cashflow fungibility among the projects and common management.

Key Rating Drivers

Strengths

Established track record of operations

Suruchi Properties Private Limited (SPPL) is a part of the Century group and a wholly owned subsidiary of Century Joint Developments Private Limited (ACUITE C) which in turn is a wholly owned subsidiary of Century Real Estate Holdings Private Limited. With over five decades of leadership experience in the real estate industry, Century group is known for its land bank of over 3,000 acres and is trusted by many homeowners in the city of Bengaluru.

Continued sales momentum

The group has recorded a healthy momentum of sales with nearly 34.50%/ 90.62% of units sold for Regalia/Wintersun Ph-2 respectively till 31st March, 2025 (19.65%/ 74.39% sold till 30th November, 2024). This has resulted in a total sale of Rs.733.09 Cr./Rs.136.24 Cr. for the Regalia/Wintersun Ph-2 respectively. However, the collections remain low with 18.09%/ 46.59% of proceeds received for Regalia/Wintersun Ph-2 respectively.

Weaknesses

Project execution risk

SPPL is prone to the project execution risk as against a total project cost of Rs.739.37 Cr. of Regalia project only 11.22% has been incurred till date. Also, for the Wintersun Ph-2 project against a total project cost of Rs.87.00 Cr, only 14.52% has been incurred March, 2025. Therefore, a significant portion of the cost has to be incurred over the next 3-4 yrs which poses implementation risks. Also, majority of the balance cost and debt servicing is expected to met through the customer advances, therefore, timely collection of receivables is a key rating sensitivity.

Susceptibility to real estate cyclical, regulatory risks and intense competition in the industry

The real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. Given the high level of financial leverage, the high cost of borrowing prevents the real estate's developers' from significantly reducing prices to boost sales growth. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players. Furthermore, the group continues to remain exposed to intense competition from larger players in Karnataka like Salapura Sattva group, Shobha group, Prestige group, Purvankara group, Brigade group, etc.

ESG Factors Relevant for Rating

The group is committed to improving their performance in Environmental, Social, and Governance (ESG) factors through practices in its project development by deploying a zero liquid discharge system, low-flow sanitary fixtures, and curing compounds to reduce water usage. It actively promotes green building standards especially LEED certifications for its projects, uses solar modules, energy-efficient fixtures, and 5-star rated appliances to cut carbon emissions, and tracks pollutants via the GHG Protocol. Further, the group does not engage in forced labour or child labour, and has strict policies in place to prevent such practices. It also promotes diversity & inclusion through its equal opportunity hiring policy that prohibits discrimination based on caste, gender, religion, etc. Moreover, on the governance; the parent company has an internal compliance committee, led by a dedicated compliance officer, responsible for ensuring compliance with all relevant regulations.

Rating Sensitivities

- Timely servicing of debt obligations.
- Timely project completion/execution without any significant cost runs.
- Continued improvement in sale of units and realisation of its customer advances.

All Covenants

1. Issuer to maintain at least 1 quarter of working capital requirement based on Business Plan for the Projects and DSRA at all times.
2. Value of mortgaged property to be always at least INR 1,018 Cr.
3. Minimum security cover of 2.25x of outstanding amounts under the facility to be maintained at all times.
4. Minimum Collection Efficiency of 90% to be maintained.
5. Surplus above minimum cash requirements (next 3 months working capital requirements for projects and DSRA) shall be swept to prepay the facility on quarterly basis subject to minimum Cash Sweep of INR 5 Cr.

Liquidity Position

Adequate

SPPL's liquidity is adequate supported by collections of customer advances from the projects in order to repay its debt obligations. The company has also prepaid its redemption premium of Rs.30 Cr. as on 31st March, 2025. Further, the refinancing of debt is expected to moderately improve the average DSCR levels, keeping it in the range of 2.50-3.00 times over the tenure of debt.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	8.33	3.98
PAT	Rs. Cr.	3.44	(1.89)
PAT Margin	(%)	41.30	(47.60)
Total Debt/Tangible Net Worth	Times	17.39	0.77
PBDIT/Interest	Times	31.61	(6.13)

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

Not Applicable.

Any Other Information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.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
21 May 2025	Non-Convertible Debentures (NCD)	Long Term	450.00	ACUITE BB- Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	450.00	ACUITE BB- Stable (Assigned)
10 Jan 2025	Non-Convertible Debentures (NCD)	Long Term	450.00	ACUITE BB- Stable (Upgraded from ACUITE B Stable)
12 Jan 2024	Proposed Non Convertible Debentures	Long Term	450.00	ACUITE B Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE217T07027	Non-Convertible Debentures (NCD)	11 Jun 2025	10.00	11 Jun 2028	450.00	Simple	ACUITE BB- Stable Reaffirmed
Not Applicable	INE217T07019	Non-Convertible Debentures (NCD)	22 Mar 2024	12.00	11 Jun 2025	450.00	Simple	Not Applicable Withdrawn

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Company Name
1	Suruchi Properties Private Limited
2	Century Northside

Contacts

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About Acuité Ratings & Research

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