

June 11, 2025

South City Projects (Kolkata) Limited: Placed on Rating Watch with Developing Implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	615.80	615.80	[ICRA]A-; Placed on Rating Watch with Developing Implications
Long-term – Fund-based – OD limits	8.57	8.57	[ICRA]A-; Placed on Rating Watch with Developing Implications
Long-term/Short-term – Non-fund based limits	15.00	15.00	[ICRA]A-; Placed on Rating Watch with Developing Implications / [ICRA]A2+; Placed on Rating Watch with Developing Implications
Total	639.37	639.37	

* Instrument details are provided in Annexure-I

Rationale

The rating for the bank facilities of South City Projects (Kolkata) Limited (SCPCL) is placed on Watch with Developing Implications following the proposed acquisition of 100% equity stake in SCPCL by Aerogrid Advanced Hosting Solutions Private Limited (AAHSPL), which is at an advanced stage. AAHSPL is a Blackstone Group owned entity. Post acquisition, the Blackstone Group will hold majority stake in AAHSPL.

ICRA takes note of the development and has placed the rating of [ICRA]A-/ [ICRA]A2+ outstanding of SCPCL on Watch with Developing Implications. ICRA is given to understand that the rated debt of SCPCL is likely to be fully repaid/refinanced post-acquisition. ICRA will monitor the developments and will take appropriate rating action as and when further details are available.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position: [Click here](#).

Rating sensitivities

Positive factors – The rating watch would be resolved once more clarity emerges on the financial policy and debt structure post change in management of the entity.

Negative factors – The rating watch would be resolved once more clarity emerges on the financial policy and debt structure post change in management of the entity. The rating may be downgraded in case of a material decline in occupancy or rent rates or a significant increase in indebtedness resulting in weakening of debt protection metrics on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable

Consolidation/Standalone

For arriving at the ratings, ICRA has consolidated the financials of SCPKL, along with its subsidiaries, as these entities are involved in real estate operations and has close business, financial and managerial linkages along with a common treasury team.

About the company

SCPCL, incorporated in 1995, is a consortium of six real estate developers of Kolkata: Emami Group, Rameswara Group, Shrachi Group, Sureka Group, Merlin Group and JB Group came together to form a consortium South City Projects (Kolkata) Ltd. The company undertakes commercial and residential real estate development in Kolkata and has developed commercial projects, luxury flats and South City International School. SCPCL, along with its subsidiaries, Indocean Developers Private Limited, Bengal Anmol South City Anmol Infrastructure Limited and South City Infra Park LLP, currently has five ongoing projects – South City Mall, South City Business Park, South City Anmol Infra, South City Retreat and South City Altair.

Key financial indicators (audited)

SCPL–Consolidated	FY2023	FY2024
Operating income	455.0	304.1
PAT	129.2	198.0
OPBDIT/OI	36.5%	56.9%
PAT/OI	28.4%	65.1%
Total outside liabilities/Tangible net worth (times)	6.1	3.6
Total debt/OPBDIT (times)	5.8	5.5
Interest coverage (times)	1.3	1.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable
Any other information: None
Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount Rated (Rs. crore)	June 11, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based term loan	Long Term	615.80	[ICRA]A-; Rating Watch with Developing Implications	-	-	15-Mar-2024	[ICRA]A-(Stable)	30-Jan-2023	[ICRA]A-(Stable)
Fund-based – Overdraft limits	Long Term	8.57	[ICRA]A-; Rating Watch with Developing Implications	-	-	15-Mar-2024	[ICRA]A-(Stable)	30-Jan-2023	[ICRA]A-(Stable)
Non-fund based limits	Long Term / Short Term	15.00	[ICRA]A-/ [ICRA]A2+; Rating Watch with Developing Implications	-	-	15-Mar-2024	[ICRA]A-(Stable)/ [ICRA]A2+	30-Jan-2023	[ICRA]A-(Stable)/ [ICRA]A2+
Unallocated	Long Term	-	-	-	-	-	-	30-Jan-2023	[ICRA]A-(Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based – Term loan	Simple
Fund-based – Overdraft limits	Simple
Non-fund based limits	Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan 1	FY2022	9.0%	FY2033	347.50	[ICRA]A-; Rating Watch with Developing Implications
NA	Term loan 2	FY2022	9.0%	FY2033	268.30	[ICRA]A-; Rating Watch with Developing Implications
NA	Overdraft limits	-	-	FY2030	8.57	[ICRA]A-; Rating Watch with Developing Implications
NA	Non-fund based limits	-	-	-	15.00	[ICRA]A-; Rating Watch with Developing Implications/[ICRA]A2+; Rating Watch with Developing Implications

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	SCPL Ownership	Consolidation Approach
South City Projects (Kolkata) Limited	100% (rated entity)	Full Consolidation
Indocean Developers Private Limited	100%	Full Consolidation
Bengal South City Matrix Infrastructure Ltd	100%	Full Consolidation
Bengal Anmol South City Infrastructure Limited	100%	Full Consolidation
South City Property Management Pvt Ltd	100%	Full Consolidation
South City Developers Pvt Ltd	100%	Full Consolidation
AA Infraproperties Pvt Ltd	100%	Full Consolidation
South City Retreat Property Management Pvt Ltd	100%	Full Consolidation
AA Infra (Middle East) Ltd	100%	Full Consolidation
AA Infra Properties (Jafza) Ltd	100%	Full Consolidation
High Rise Developers Pvt Ltd	100%	Full Consolidation

Source: ICRA Research, SCPKL

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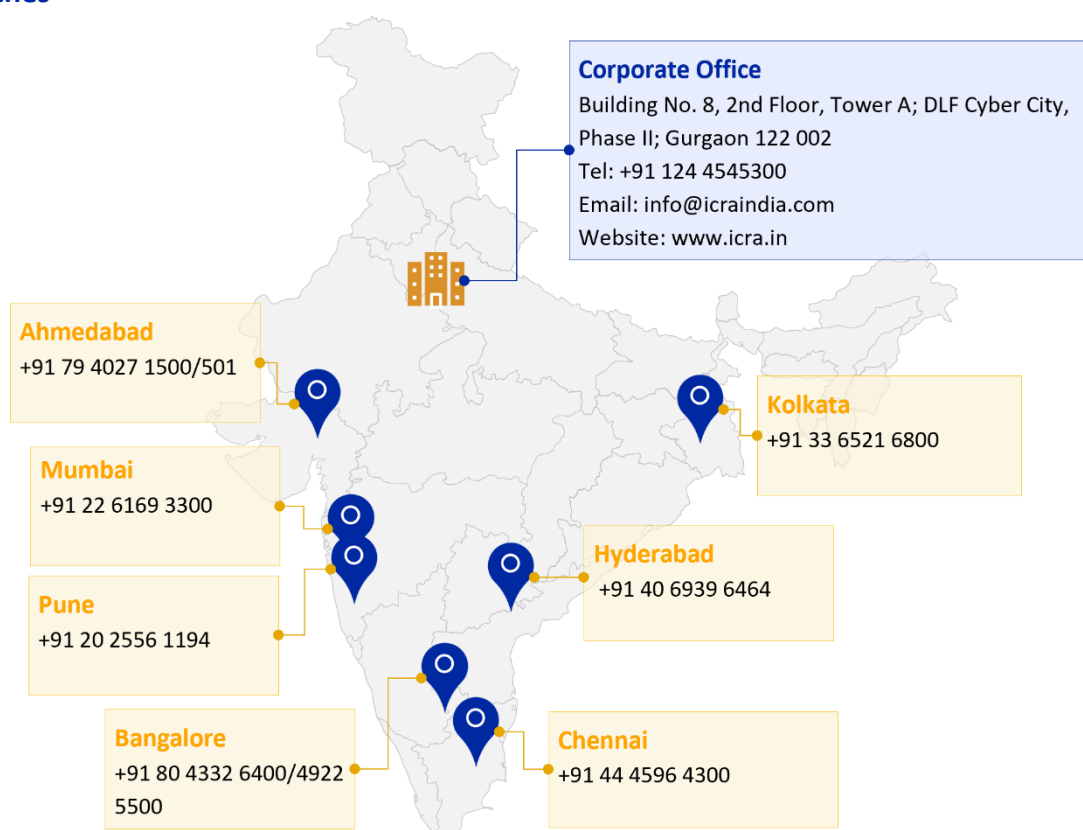
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