

December 31, 2025

SSS Realty & Co: Rating reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	150.00	730.00	[ICRA]BB+ (Stable); reaffirmed and assigned for the enhanced amount
Total	150.00	730.00	

*Instrument details are provided in Annexure I

Rationale

The rating action for SSS Realty & Co (SSSRC) factors in the favourable location of the entity's ongoing mixed-use (office and retail) commercial project, Regalium, at Koramangala, Bengaluru, which enhances its marketability. The company is developing a mixed-use commercial project with a total area of 0.82 million square feet (msf). As of latest date, the company has sold 32% of the total area (0.82 msf) to co-owners and has pre-leased 9% of the leasable area (at high rental rate of Rs. 200 per sft). Recently, the company has received a sanctioned limit of Rs. 730 crore, which will be used to refinance its existing construction finance (CF) debt and the balance will be used towards construction of project. The total project cost has increased to around Rs. 1,080 crore, primarily on account of change in project design, scope and increase in interest during construction due to higher debt and revision in bullet repayment date to March 2028. The rating also considers the low funding risk of the project with CF debt fully tied up and significant part of the equity (more than 95%) already infused as of October 2025.

The rating is, however, constrained by the project's exposure to execution risk with ~65% of the revised budgeted project cost yet to be incurred as of October 2025, against the scheduled date of commencement of commercial operations (DCCO) of June 30, 2027. However, as of latest date, the company has completed the construction of sub-structure of the project, thereby reducing the execution risk to an extent. The entity is exposed to market risk with ~60% of the total area yet to be leased. While there is an adequate timeline for leasing, supported by the favourable location of the project, any significant delays in achieving lease tie-ups at adequate rental rates may impact the entity's refinancing ability (with bullet repayment due in March 2028). Further, the project under SSSRC is exposed to high geographical and asset concentration risks inherent in a single project portfolio.

The Stable outlook reflects ICRA's opinion that the entity will benefit from the favourable project location which enhances its marketability, leading to expected adequate leasing of the project.

Key rating drivers and their description

Credit strengths

Favourable project location – The asset is located at Koramangala, Bengaluru. The property is in one of the established micromarkets in the Central Business District of Bengaluru and is well connected through various modes of transport, which enhances its marketability. This is further supported by the high occupancy levels of more than 95% in the Koramangala micromarket and limited upcoming supply. The favourable location of the project and low vacancy levels in the micromarket are likely to translate into adequate leasing for the project. As of latest date, the company has sold 32% of the total area (0.82 msf) to co-owners and has pre-leased 9% of the leasable area (at high rental rate of Rs. 200 per sft).

Low funding risk – Recently, the company has received a sanctioned limit of Rs. 730 crore, which will be used to refinance its existing CF debt and the balance will be used towards construction of project. The total project cost has increased to around Rs. 1,080 crore, primarily on account of change in project design, scope and increase in interest during construction due to higher debt and revision in bullet repayment date to March 2028. The project also has low funding risk with CF debt fully tied up and significant part of the equity (more than 95%) already infused as of October 2025.

Credit challenges

Exposure to project execution and market risks – SSSRC is exposed to execution risk with ~65% of the revised budgeted project cost yet to be incurred as of October 2025, against the scheduled DCCO of June 30, 2027. However, as of latest date, the company has completed the construction of sub-structure of the project, thereby reducing the execution risk to an extent. The entity is exposed to market risk with ~60% of the total area yet to be leased. While there is an adequate timeline for leasing, supported by the favourable location of the project, any significant delays in achieving lease tie-ups at adequate rental rates may impact the entity’s refinancing ability (with bullet repayment due in March 2028).

Geographical and asset concentration risks – The project under SSSRC is exposed to high geographical and asset concentration risks inherent in a single project portfolio.

Liquidity position: Adequate

The company’s liquidity position is adequate, supported by an adequate undrawn CF loan recently sanctioned which will be sufficient to fund the pending project cost. Further, more than 95% of the equity has been into the project. The CF loan has a bullet repayment due in March 2028.

Rating sensitivities

Positive factors – SSSRC’s rating might be upgraded if there is a healthy leasing ramp up at adequate rental rates mitigating the refinancing risk and leads to an improvement in debt protection metrics on a sustained basis.

Negative factors – Pressure on the rating could emerge if significant time or cost overruns in construction, or inability to ramp-up leasing at adequate rental rates impact the ability to timely refinance the CF loan.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

SSSRC is a partnership firm incorporated for developing a commercial project, Regalium, at Koramangala, Bengaluru. It is expected to be a mixed-use (commercial office and retail) project having a leasable/saleable area of around 0.82 msf (0.26 msf sold to co-owners) across G+9 floors. The project is under construction and is likely to be completed by June 30, 2027.

SSSRC is promoted by the Machani family through Machani Ramesh Metamorphosis LLP, which holds 99.95% in the firm, while 0.05% is held by Stumpp Schuele & Somappa Springs Pvt. Ltd (rated [ICRA]BBB- (Stable)/[ICRA]A3). The Stumpp Schuele and Somappa Group manufactures and sells 4,000 types of metallic springs and stabilisation bars across several applications, with about 90% of its revenues coming from the auto industry.

Key financial indicators

Not applicable being a project stage company

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						
	Type	Amount rated (Rs. crore)	Dec 31, 2025	Oct 31, 2025	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	730.00	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	Jul 26, 2024	[ICRA]BB+ (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple

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	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term - Fund-based – Term loan	December 2025	NA	March 2028	730.00	[ICRA]BB+ (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Abhishek Lahoti
+91 40 6939 6433
abhishek.lahoti@icraindia.com

Aashay Jain
+91 80 4332 6431
aashay.jain@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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