

March 31, 2026

South City Projects (Kolkata) Limited: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture	1,510.00	[ICRA]BBB+ (Stable); Assigned
Long-term – Fund-based – Term loan	290.00	[ICRA]BBB+ (Stable); Assigned
Total	1,800.00	

*Instrument details are provided in Annexure-I

Rationale

The rating assigned for South City Projects (Kolkata) Limited (SCPKL) factors in its favourable location and long track record of operations of ~18 years for its mall, while maintaining healthy occupancy at 99.4% as of December 2025, with a strong tenant profile comprising reputed brands. The company operates South City Mall in Prince Anwar Shah Road, Kolkata, with a total leasable area of 0.75 million square feet (msf). ICRA expects the net operating income (NOI) to increase by 6-8% in FY2026 and 5-7% in FY2027, backed by scheduled rent escalations and expected rise in other operating income like parking, signages, etc. South City Mall is favourably located and is surrounded by residential areas, which is likely to augment healthy footfalls. The rating considers the established track record of SCPKL's majority shareholder (affiliate of Blackstone Inc.) in the commercial real estate market and its high financial flexibility.

The rating is, however, constrained by the moderate leverage and debt coverage metrics. The debt outstanding as of December 2025 is Rs. 1,800 crore, which includes non-convertible debenture (NCD) of Rs. 1,510 crore and term loan of Rs. 290 crore. SCPKL faces refinancing risk as the NCDs have bullet maturities. The revenue from the mall is also exposed to adverse macroeconomic and external conditions, which could impact the tenant's business profile. The debt coverage metrics would remain susceptible to material changes in occupancy and interest rates.

The Stable outlook reflects ICRA's expectation that the mall's business will be able to sustain healthy occupancy levels, witness steady growth in NOI, supported by favourable location of the asset.

Key rating drivers and their description

Credit strengths

Long track record of operation of asset; healthy occupancy levels – South City Mall has a long track record of operation of around 18 years, while maintaining healthy occupancy at 99.4% as of December 2025. ICRA expects the NOI to increase by 6-8% in FY2026 and 5-7% in FY2027, backed by scheduled rent escalations and expected rise in other operating income like parking, signages, etc.

Favourable location of asset – The mall is favourably located and is surrounded by residential catchments, which is likely to augment healthy footfalls.

Established track record of the majority shareholder in commercial real estate – SCPKL's majority shareholder (an affiliate of Blackstone Inc.) – has an established track record in the commercial real estate market. It is one of the leading owners of office, warehousing, hospitality, data centres and retail spaces in India, with a large portfolio of properties across Bengaluru, Pune, Hyderabad, Mumbai, the National Capital Region (NCR) and Chennai. Its long track record in the real estate sector and

diversified portfolio in the retail and commercial real estate business in India provide comfort and allow it to command high financial flexibility.

Credit challenges

Moderate leverage and coverage metrics – The debt outstanding as of December 2025 is Rs. 1,800 crore, which includes NCD of Rs. 1,510 crore and term loan of Rs. 290 crore. The leverage and debt coverage metrics for the asset are expected to remain moderate.

Exposed to refinancing risk – SCPKL remains exposed to refinancing risk as the NCDs have bullet maturities. Nonetheless, strong underlying business profile of the mall, along with healthy financial flexibility of the sponsor group, mitigates the refinancing risk to an extent.

Vulnerability to external factors and material changes in occupancy and interest rates – The revenues from the mall business are exposed to adverse macroeconomic and external conditions, which could impact the tenants’ business profile. The occupancy and consequently the debt coverage metrics remain vulnerable to the upcoming competition in the vicinity. Moreover, the debt coverage metrics would remain susceptible to substantial increase in interest rates, if any.

Liquidity position: Adequate

The company’s liquidity position remains adequate with free cash/bank balance and liquid investments of Rs. 79.6 crore as on February 28, 2026. With healthy occupancy levels and limited capex plans, its cash flow from operations are expected to remain adequate to meet the debt repayment obligations in FY2027 and FY2028.

Rating sensitivities

Positive factors – Sustained and significant improvement in leverage and coverage metrics, backed by improved operational cash flows and/or substantial reduction in debt could lead to a rating upgrade. Specific credit metric that could lead to a rating upgrade is five-year average DSCR above 1.20 times on a sustained basis.

Negative factors – Pressure on the rating could be exerted with 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 - Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of SCPKL. As on March 31, 2025, the company had five special purpose vehicles, that are enlisted in Annexure II.

About the company

SCPCL, incorporated in 1995, was a consortium of six real estate developers of Kolkata. The Emami Group, Rameswara Group, Shrachi Group, Sureka Group, Merlin Group and JB Group came together to form a consortium South City Projects (Kolkata) Ltd. In June 2025, Aerogrid Advanced Hosting Solutions Private Limited (AAHSPL), with entities which are affiliates of Blackstone Inc. as majority shareholder, acquired 100% equity stake in SCPCL. In February 2026, AAHSPL has been merged with SCPCL. The company operates South City mall in Kolkata, with a leasable area of 0.75 msf.

Key financial indicators (audited)

SCPCL – Consolidated	FY2024	FY2025
Operating income	304.1	292.8
PAT	196.4	111.6
OPBDIT/OI	56.9%	32.3%
PAT/OI	64.6%	38.1%
Total outside liabilities/Tangible net worth (times)	3.6	2.8
Total debt/OPBDIT (times)	5.8	10.4
Interest coverage (times)	1.5	1.1

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

Current (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	March 31, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCD	Long term	1510.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-	-	-
Fund-based – Term loan	Long term	290.00	[ICRA]BBB+ (Stable)	June 11, 2025	[ICRA]A-; Rating Watch with Developing Implications	-	-	March 15, 2024	[ICRA]A- (Stable)	January 30, 2023	[ICRA]A- (Positive)
				July 24, 2025	[ICRA]A-; Rating Watch with Developing Implications; withdrawn	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debenture	Simple
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
INE1YOE07018	NCD	June 13, 2025	9.99%	June 12, 2031	375.00	[ICRA]BBB+ (Stable)
INE1YOE07026	NCD	June 13, 2025	9.76%	June 12, 2031	750.00	[ICRA]BBB+ (Stable)
INE1YOE07034	NCD	June 13, 2025	9.76%	June 12, 2031	385.00	[ICRA]BBB+ (Stable)
NA	Term loans	June 2025	NA	June 2037	290.00	[ICRA]BBB+ (Stable)

Source: Company; * Coupon Rate as on December 31, 2025

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

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach
Indocean Developers Private Limited	100.0%	Full Consolidation
High Rise Developers Private Limited (step down subsidiary)	100.0%	Full Consolidation

Source: Company, ICRA Research; * as on December 31, 2025

ANALYST CONTACTS

Ashish Modani
+91 20 6169 3300
ashish.modani@icraindia.com

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

Maitri Vira
+91 79 6923 3012
maitri.vira@icraindia.com

Chintan Chheda
+91 22 6169 3363
chintan.chheda@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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