

Secura Developers Private Limited

June 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	37.00	CARE C	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Secura Developers Private Limited (SDPL) are constrained by moderate stage of project execution, high dependence on customer advances for project funding, geographical concentration risk and inherent cyclical nature of the real estate industry. The rating is also constrained by the chequered debt servicing in the past, with the last instance in February 2025, post which debt servicing has been satisfactory for past 3 months ended May 2025. The ratings, however, derives comfort from experience of promoters and healthy booking status in the project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely receipt of customer advances improving collection efficiency
- Satisfactory completion of the ongoing real estate project within envisaged cost and time parameters
- Improvement in liquidity profile leading to improvement in cash coverage ratio

Negative factors

- Significant time or cost overrun in project execution.
- Significantly weakening liquidity due to declining occupancy level, lower collections or incremental debt on rental cashflows.

Analytical approach: Standalone

Detailed description of key rating drivers:

Key weaknesses

Project execution risk due to moderate project progress

SDPL is currently developing its second retail mall project, named "Secura Centre," with 7 floors in Perinthalmanna, Kerala. Construction of the project commenced in February 2023. Total project cost is estimated to be ~₹124.10 crore. As on March 31, 2025, the company has incurred 26% of the total project cost, with moderate construction progress, resulting in significant execution risk. Prior to this project, company had completed its first commercial mall project in Kannur in March 2023 with name "Secura Centre, Kannur". Moderate track record of the company in executing commercial real estate exacerbates the execution risk.

High dependence on customer advances for project funding

The total project cost of ₹124.10 crore is proposed to be funded by promoter contribution of ₹10 crore, term debt of ₹37 crore and customer advances of ₹77.10 crore. Although financial closure of the debt portion is achieved, due to high reliance on customer advances (~62% of the total cost) for the project completion, the company will be required to maintain healthy collection efficiency. As of March 31, 2025, the company collected ₹35.00 crore against a total sales value of ₹67.62 crore and committed receivable coverage ratio stood low at 30%. Any slowdown in sales momentum or collections may force the company to access funds either in form of promoter contribution or debt, which shall deteriorate the company's capital structure and funding pattern.

Inherent cyclical nature of real estate industry and volatility in occupancy

The company is exposed to the cyclicity associated with the real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. In case of the real estate companies, the profitability highly depends on property markets. Companies in the sector are also exposed to regulatory changes. There exists competition from upcoming and completed projects of other developers in the region. The cash inflow from leasing business is susceptible to volatility in occupancy or rent rates caused by economic downturns which could impact the tenants'

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

business risk profile while the operational cash outflow is relatively fixed in nature except for fluctuations in interest rates. Moreover, any termination of leases will impact the cash flow.

Key strengths

Experience of promoters

The company is headed by directors Mehaboob MA, Noushad KP, Hamid Hussain KP and Hariz CM. The directors possess more than a decade of experience in real estate sector, including commercial assets like malls which augurs well for the company despite its moderate track record.

Healthy booking status

This project is being developed through a Joint Development Agreement (JDA) and features a total saleable area of 2.02 lakh square feet (Isf), with 1.34 Isf allocated to SDPL as the developer's share. From its share, the company plans to sell 0.76 Isf (122 units) and retain the remainder for leasing. As of March 31, 2025, the company has successfully sold 98 units, covering 0.56 Isf (~74% of the area held for sale) indicating a healthy booking status. The company has been earning a monthly rental income of around ₹0.23 crore from its first mall, "Secura Centre, Kannur," which was completed in March 2023.

Liquidity: Poor

The liquidity stood poor characterised by higher reliance on customer collections to meet the pending cost for its ongoing projects and existing term debt obligations. As of March 31, 2025, the company had receivables amounting to ₹32.62 crore and undrawn debt of ₹20.45 crore, compared to pending construction costs of approximately ₹92 crore. Company has existing monthly repayment obligations of ₹0.34 crore for the LRD/working capital borrowings availed on the first mall project "Secura Centre Kannur" (completed in March 2023), against a monthly rental inflow of ₹0.23 crore. Timely receipt of customer advances, timely sales of the remaining units and support from promoters is critical to debt servicing.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Debt backed by lease rentals](#)

[Rating methodology for Real estate sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Secura Developers Private Limited (SDPL) is a real estate development company engaged in the development, sale and leasing of commercial malls in tier-2 and tier-3 cities of Kerala under the brand name "Secura Centre". The company has completed one mall in Kannur and development of another project is currently ongoing in Perinthalmanna. The company is promoted by Mehaboob MA, Noushad KP, Hamid Hussain KP and Hariz CM.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	8MFY25 (UA)
Total operating income	9.38	15.81	8.60
PBILDT	-4.35	2.07	1.25
PAT	-5.18	1.32	NA
Overall gearing (times)	10.52	7.33	NA
Interest coverage (times)	-5.20	2.34	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Lease rental discounting/ Rent Receivables Financial		-	-	-	12.00	CARE C
Fund-based - LT-Term Loan		-	-	February 2040	25.00	CARE C

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	25.00	CARE C				
2	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	LT	12.00	CARE C				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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