

**Press Release**  
**INSPIRA SPRINGDALE PRIVATE LIMITED**

**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	100.00	ACUITTE B   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has assigned its long-term rating of 'ACUITTE B' (read as ACUITTE B) on the Rs. 100.00 Cr. Proposed Non-Convertible Debentures of Inspira Springdale Private Limited (ISPL). The outlook is 'Stable'.

**Rationale for rating assigned**

The rating assigned takes into account significant risks associated towards funding, implementation and demand for the project – 'Trees of Life'. Further, the rating also factors the susceptibility of company's operations towards inherent cyclicality in the real estate industry and regulatory risks associated with it. However, the rating draws comfort from the long-standing experience and established track record of promoter i.e. Inspira group for more than two decades in real estate business.

**About the Company**

Incorporated on 8th May 2023, ISPL is a group company of Inspira group of the Bangalore. Currently, The group is into construction of project named – 'Trees of Life' consisting of 211 villas, in the Sarjapur region of Bangalore. ISPL is developing the project wherein ISPL will raise funds and pass it on to another group entity Inspira BM Construction LLP (BM construction) who is a partial landowner also, for the development of the project. The current directors of the company are Mr. Akarsh S and Mr. Aravinda MS.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuité has considered standalone business and financial risk profiles of ISPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Established track record of the group with experienced management**

ISPL is a group company of Inspira Builders LLP, a Bangalore-based real estate developer engaged in commercial and residential projects. The firm is managed by Mr. Prabhu Ur, Mr. Aravind MS, and Mr. Akarsh Reddy. The group has over two decades of experience in real estate development through various executed projects. Inspira Group has completed ~18 projects and is currently having 4 ongoing projects. The group has delivered over 1.5 million square feet of residential and commercial spaces.

**Weaknesses**

**High project execution risk**

The project is being constructed at a cost of Rs.480 Cr to be funded through equity infusions of Rs 25.0 Cr, debt of Rs 100.0 Cr and balance through customer advances of Rs. 355 Cr. Further, of the proposed NCD of Rs 100 Cr, Rs 47 Cr shall be utilised towards repayment of existing project level debt (including unsecured loans from promoters) and balance towards project development. Also, while the promoters have infused Rs.12 Cr as March 31, 2025, still Rs.13 crores needs to be infused by the promoters. Therefore, the funding risk remain high as majority of the project development is dependent on customer advances.

On the implementation front, the group has acquired nearly 75% of the land as on March 31, 2025. However, for balance 25% of the land yet to be acquired from the current landowners, the company is expected to raising funds through the proposed NCDs. Currently all land is being acquired in BM construction, who is also responsible to obtain all statutory approvals, post which the group is expected to start the sale of land and construction of villas. Hence, the implementation and the demand risk for the project remains high.

**Susceptibility to geographical concentration, real estate cyclicality, regulatory risks and intense competition in the industry**

The operations of the group are majorly located in and around Bangalore which keeps the firm exposed to

geographic concentration risk. Further, 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. 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. Hence, business risk profile will remain susceptible to risks arising from any industry slowdown.

**Rating Sensitivities**

- On-time completion of project without cost overruns
- Adequate realization of its customer advances
- Significant changes in regulations affecting demand and prices
- Timely receipt of approvals for the project

**All Covenants**

Collateral cover of at least 2.5 times

**Liquidity Position**

**Stretched**

The liquidity profile of the project is marked stretched, on account of high dependency on advances from the customers. Further, the company is raising fresh funds of Rs.100 Cr to repay some of the existing project levels borrowings of around Rs.47 Cr. Moreover, the liquidity will be supported once the company realises customer advances. Further, as per the proposed term sheet the company will receive a moratorium of 2 quarters for coupon payment and 4 quarters for repayment of the NCD, from the date of the first disbursement which will ease cash outflows in the near term

**Outlook - Stable**

**Other Factors affecting Rating**

None

**Key Financials :**

The company was incorporated in May 2023. However, the operations have not yet started.

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

None

**Any other information**

None

**Applicable Criteria**

- Default Recognition -> <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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](http://www.acuite.in).

**Rating History :**

Not Applicable

**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	Not avl./ Not appl.	Proposed Non Convertible Debentures	Not avl./ Not appl.	Not avl./ Not appl.	Not avl./ Not appl.	100.00	Simple	ACUITTE B   Stable   Assigned

**About Acuité Ratings & Research**

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