May 08, 2024

Prestige Estates Projects Limited: Ratings withdrawn for non-convertible debentures of Rs. 250.0 crore and rating outstanding for the existing facilities

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	1,069.91	1,069.91	[ICRA]A+(Stable); Outstanding
Long-term – Non-fund based	549.20	549.20	[ICRA]A+(Stable); Outstanding
Non-convertible debenture	500.00	500.00	[ICRA]A+(Stable); Outstanding
Non-convertible debenture	250.00	0.00	[ICRA]A+(Stable); Withdrawn
Long-term – Fund-based	50.00	50.00	[ICRA]A+(Stable); Outstanding
Commercial paper	230.00	230.00	[ICRA]A1; Outstanding
Total	**2,649.11**	**2,399.11**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings assigned to the non-convertible debentures of Rs. 250 crore of Prestige Estates Projects Limited, as the same are fully redeemed , and is in accordance with ICRA's policy on withdrawal of ratings.

The key rating drivers and their description, liquidity position, rating sensitivities, key financial indicator and environmental and social risks have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: Click here.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings Realty -Lease Rental Discounting (LRD) Realty -Commercial/Residential/Retail Rating Methodology for hotels
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the financials of PEPL, along with its operational subsidiaries, JVs, and associate companies on account of the strong business and financial linkages between these entities. The list of companies that are consolidated to arrive at the rating is given in Annexure II

About the company

PEPL is the flagship company of the Prestige Group. It started operations as Prestige Estates and Properties, a partnership firm, in 1986. It was subsequently converted into a private limited company in 1997 and to a public company in 2009. The company is promoted by Mr. Irfan Razack and his brothers, together holding 65.48% of shares. The remaining shares are held by institutional investors and other public shareholders as on December 31, 2023.

The Prestige Group has over 37 years of experience in real estate development and is one of the leading real estate developers in South India. It has completed 291 real estate projects covering 176 msf of area and is currently developing 56 projects encompassing an area of 96 msf as on December 31, 2023. It has developed a diversified portfolio of real estate projects

focusing on the residential, commercial, hospitality and retail segments. Besides, Prestige offers a variety of services, such as property management services, sub-leasing and fit-out services.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2025)				Chronology of rating history for the past 3 years			
	Type	Amount rated (Rs. crore)	Amount outstanding As on September 30, 2023 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022
				May 08, 2024	Feb 6, 2024	Jul 28, 2023	Nov 16, 2022	Nov 16, 2021
1 Term loans	Long term	1,069.9	1069.9	**[ICRA]A+ (Stable)**	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2 Non-fund based facility	Long term	549.2	549.2	**[ICRA]A+ (Stable)**	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
3 NCD	Long term	500.0	500.0	**[ICRA]A+ (Stable)**	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
4 NCD	Long term	250.0	-	**[ICRA]A+(Stable); withdrawn**	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
5 Proposed NCD	Long term	-	-	**-**	-	-	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
6 Fund-based facility	Long term	50.0	50.0	**[ICRA]A+ (Stable)**	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	-
7 Commercial paper	Short term	230.0	230.0	**[ICRA]A1**	[ICRA]A1	[ICRA]A1	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Term loan	Simple
Long-term Non-fund based	Simple
Non-convertible debenture	Simple
Long-term Fund-based	Simple
Commercial paper	Very 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	Term loan	FY2013-FY2022	NA	Jan 2036	1,069.91	[ICRA]A+(Stable)
NA	Non-fund based	-	-	-	549.20	[ICRA]A+(Stable)
INE811K07067	NCD	Aug 10, 2018	10.5%	Aug 10, 2023*	250.00	[ICRA]A+(Stable); Withdrawn
INE811K07075	NCD	Nov 29, 2021	8.9%	Nov 29, 2024	240.00	[ICRA]A+(Stable)
INE811K07083	NCD	Nov 29, 2021	8.9%	Nov 29, 2026	260.00	[ICRA]A+(Stable)
NA	Fund-based	-	-	-	50.00	[ICRA]A+(Stable)
INE811K14022	Commercial Paper	Aug, 2023	-	Aug, 2024	230.00	[ICRA]A1

*Source: Company; * redeemed fully*

Annexure II: List of entities considered for consolidated analysis:

Company Name	PEPL Ownership	Consolidation Approach
Avyakth Cold Storages Private Limited	100.00%	Full Consolidation
Dollars Hotel & Resorts Private Limited	65.92%	Full Consolidation
ICBI (India) Private Limited	82.57%	Full Consolidation
K2K Infrastructure (India) Private Limited	75.00%	Full Consolidation
Northland Holding Company Private Limited	100.00%	Full Consolidation
Prestige Bidadi Holdings Private Limited	99.94%	Full Consolidation
Prestige Builders and Developers Private Limited	100.00%	Full Consolidation
Prestige Construction Ventures Private Limited	100.00%	Full Consolidation
Prestige Exora Business Parks Limited	100.00%	Full Consolidation
Prestige Falcon Realty Ventures Private Limited	100.00%	Full Consolidation
Prestige Garden Resorts Private Limited	100.00%	Full Consolidation
Prestige Hospitality Ventures Limited	100.00%	Full Consolidation
Prestige Leisure Resorts Private Limited	57.45%	Full Consolidation
Prestige Retail Ventures Limited	100.00%	Full Consolidation
Sai Chakra Hotels Private Limited	100.00%	Full Consolidation
Shipco Infrastructure Private Limited (w.e.f August 23, 2021)	70.00%	Full Consolidation
Prestige Sterling Infra Projects Private Limited	90.00%	Full Consolidation
Prestige Mall Management Private Limited	100.00%	Full Consolidation
Prestige Garden Estates Private Limited	73.00%	Full Consolidation
Village-De-Nandi Private Limited	100.00%	Full Consolidation
Kochi Cyber Greens Private Limited	100.00%	Full Consolidation
Prestige Projects Private Limited (w.e.f September 02, 2021)	59.99%	Full Consolidation
Prestige Mulund Realty Private Limited (formerly known as Ariisto Developers Private Limited) (w.e.f June 29, 2021)	100.00%	Full Consolidation
Prestige Acres Private Limited (w.e.f October 25, 2021)	51.00%	Full Consolidation
Prestige Warehousing & Cold Storage Services Private Limited	92.36%	Full Consolidation
Apex Realty Management Private Limited (w.e.f June 24, 2022)	60.00%	Full Consolidation
Prestige Falcon Malls Private Limited	100.00%	Full Consolidation
Prestige Falcon Mumbai Realty Private Limited	51.00%	Full Consolidation
Prestige Estates Projects Corp.	100.00%	Full Consolidation
Ace Realty Ventures	51.00%	Full Consolidation
Albert Properties	88.00%	Full Consolidation
Eden Investments & Estates	77.50%	Full Consolidation
Morph*	40.00%	Equity Method

Prestige AAA Investments	51.00%	Full Consolidation
Prestige AltaVista Holdings	99.00%	Full Consolidation
Prestige Habitat Ventures	99.00%	Full Consolidation
Prestige Hi-Tech Projects	-	-
Prestige Kammanahalli Investments	75.00%	Full Consolidation
Prestige Nottinghill Investments	51.00%	Full Consolidation
Prestige Office Ventures	99.99%	Full Consolidation
Prestige Ozone Properties*	47.00%	Equity Method
Prestige Pallavaram Ventures	99.95%	Full Consolidation
Prestige Property Management & Services	97.00%	Full Consolidation
Prestige Southcity Holdings	51.00%	Full Consolidation
Prestige Sunrise Investments	99.99%	Full Consolidation
Prestige Whitefield Developers*	47.00%	Equity Method
PSN Property Management and Services*	50.00%	Equity Method
Silver Oak Projects	99.99%	Full Consolidation
The QS Company	98.00%	Full Consolidation
Prestige Century Landmark (w.e.f April 07, 2021)	55.00%	Full Consolidation
Prestige Century Megacity* (w.e.f April 07, 2021)	45.00%	Equity Method
Southeast Realty Ventures (w.e.f. March 20, 2023)	99.99%	Full Consolidation
Prestige Falcon Business Parks (w.e.f July 14, 2021)	99.00%	Full Consolidation
Villaland Developers LLP	99.00%	Full Consolidation
West Palm Developments LLP	61.00%	Full Consolidation
Prestige Valley View Estates LLP	51.05%	Full Consolidation
Prestige Whitefield Investment and Developers LLP	99.99%	Full Consolidation
Prestige OMR Ventures LLP	100.00%	Full Consolidation
Apex Realty Ventures LLP (w.e.f. June, 24 2022)	59.94%	Full Consolidation
Prestige Devenahalli Developers LLP*	45.00%	Equity Method
Prestige Beta Projects Private Limited (w.e.f. March 24, 2022)	40.00%	Equity Method
Dashanya Tech Parkz Private Limited* (w.e.f. February 09, 2022)	-	-
Thomsun Realtors Private Limited	50.00%	Equity Method
Bamboo Hotel and Global Centre (Delhi) Private Limited	50.00%	Full Consolidation
Pandora Projects Private Limited	50.00%	Equity Method
Prestige (BKC) Realtors Private Limited*	59.20%	Full Consolidation
Apex Realty Management Private Limited* (Upto June 23, 2022)	-	-
Prestige Realty Ventures	49.90%	Equity Method
Prestige City Properties* (upto February 02, 2022)	-	-
Prestige MRG Eco Ventures (w.e.f. March 29, 2023)	50.00%	Equity Method
Apex Realty Ventures LLP * (Upto June 23, 2022)	-	-
Lokhandwala DB Realty LLP	50.00%	Equity Method
Turf Estate Joint Venture LLP**	50.00%	Equity Method

Source: Company, ICRA Research

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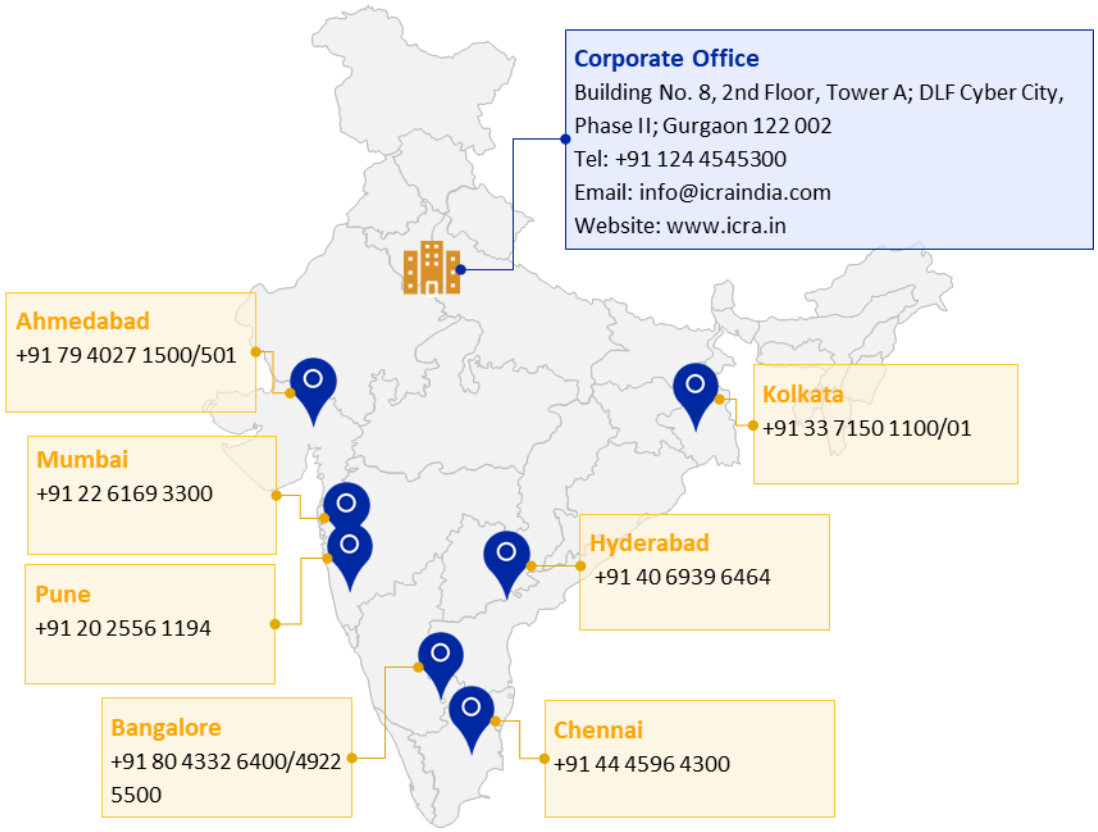

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