

March 28, 2025

Prestige Mulund Realty Private Limited: [ICRA]A+ (CE) (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	1800.0	[ICRA]A+ (CE) (Stable); assigned
Total	1800.0	

*Instrument details are provided in Annexure I

Rating without explicit credit enhancement

[ICRA]BBB

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is to be backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The table above also captures ICRA's opinion on the rating without factoring in the proposed explicit enhancement.

Rationale

The above rating is based on the strength of the corporate guarantee provided by Prestige Estates Projects Limited (PEPL/the guarantor, rated [ICRA]A+ (Stable)/[ICRA]A1), for the term loans of Prestige Mulund Realty Private Limited (PMRPL). The Stable outlook on this rating reflects ICRA's outlook on the rating of the guarantor, PEPL.

Adequacy of credit enhancement

The rating of the instrument is based on the credit substitution approach, whereby the rating of the guarantor has been translated to the rating of the said instrument. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument and has a well-defined pre-default invocation and payment mechanism. Given these attributes, the guarantee provided by Prestige Estates Projects Limited is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]A+ (CE) against the rating of [ICRA]BBB without explicit credit enhancement. In case the rating of the guarantor was to undergo a change in future, the same would reflect in the rating of the aforesaid instrument as well.

Salient covenants of the rated facility

- The company shall maintain a security cover of 1.5 times at all times.
- Bank will have the right to recall the loan in the following two scenarios:
 - If delivery of apartments to residential buyers as required by NCLT does not happen by June 30, 2025 and NCLT does not extend the due date for delivery beyond June 30, 2025.
 - If delivery of commercial area as required by NCLT to lenders does not happen by December 31, 2025 and NCLT does not extend the due date for delivery beyond December 31, 2025.
- ICD's/unsecured loans should not be withdrawn during the currency of the loan.

Key rating drivers and their description – For the guarantor (PEPL)

Credit strengths

- Estimated healthy operating performance in the residential segment
- Part QIP proceeds to be deployed for debt repayment; expected improvement in leverage
- Leading real estate developer with a long track record, strong market position and diversified portfolio

Credit challenges

- Risks associated with large-scale, ongoing and upcoming projects
- Exposed to inherent cyclical in real estate sector

Please refer to the following link for the detailed rationale of the guarantor’s rating, published in September 2024: [Click here](#)

Liquidity position

For the guarantor (PEPL): Adequate (more details can be seen at this link: [Click here](#))

For the rated entity (PMRPL): Adequate

PMRPL’s liquidity position is expected to be adequate. As on September 30, 2024, the company had unencumbered cash and bank balances of Rs. 26.1 crore. The pending costs of the ongoing projects and upcoming projects are likely to be met through the committed receivables, unutilised debt and customer advances from incremental sales and promoter funds, if required.

Rating sensitivities

Positive and negative factor – The rating assigned by ICRA to the term loans of PMRPL is principally based on the strength of the corporate guarantee executed by PEPL. Accordingly, any future rating change, upgrade or downgrade, will remain synchronous with changes, if any, in the credit quality of PEPL

Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail
Parent/Group support	The rating is based on the corporate guarantee extended by Prestige Estates Projects Limited (PEPL) in favour of the lenders of the bank facilities of Prestige Mulund Realty Private Limited (PMRPL)
Consolidation/Standalone	The bank facilities are backed by the corporate guarantee from PEPL. To arrive at the rating of PEPL, ICRA has assessed its consolidated risk profile. Details of the entities considered for consolidation are available at this link. (Click here)

About the company

Incorporated in 2016 as Ariisto Developers Private Limited (ADPL) and an erstwhile partnership firm formed in 2004, Prestige Mulund Realty Private Limited is involved in the business of real estate development. Based on NCLT’s order in March 2021, ADPL was acquired by Prestige Estates Projects Limited (PEPL) and renamed as Prestige Mulund Realty Private Limited (PMRPL). PMRPL is involved in the business of real estate development and is 100% subsidiary of PEPL. At present, the company is developing ‘Prestige City’, a township in Mulund, Mumbai, on ~30 acre land parcel comprising residential and commercial projects. Under the township, the company is currently executing Prestige Bellanza I (with saleable area of 0.8 msf), Prestige Bellanza II (with saleable area of 0.8 msf), Prestige Siesta (with saleable area of 0.6 msf) and Prestige Forest Hills Phase 1 (with

saleable area of 0.9 msf). Further, the company is executing a commercial project, Prestige Trade Center (with saleable area of 0.9 msf) in the same township. Also, phase 2 of the Prestige Forest hills (with saleable area of ~1.0 msf) is expected to be launched in FY2026. The company has sold ~61% of the overall saleable area in the ongoing residential projects as of December 31, 2024. The commercial project (Prestige share) is yet to be sold as on date. Further, the company is yet to incur around ~62% of the overall budgeted cost of the ongoing projects as of December 31, 2024 and the same is expected to be funded by mix of debt, collections from customers and promoter equity, if required.

Key financial indicators (audited): Not meaningful for a project stage company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2025)				Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2025			FY2024		FY2023		FY2022	
			March 28, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long Term	1800.00	[ICRA]A+ (CE) (Stable)	29-Jan-2025	[ICRA]A+ (Stable); withdrawn	16-Oct-2023	[ICRA]A+ (Stable)	10-Aug-2022	[ICRA]A+ (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
-	Term loan-I	Sept-2024	10.2%	FY2030	1800.0	[ICRA]A+ (CE) (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

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