

September 15, 2025

Pentagon Premises Private Limited: Rating Assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Unallocated Limits	100.00	[ICRA]BB- (Stable); Rating Assigned
Total	100.00	

*Instrument details are provided in Annexure I

Rationale

The rating assigned to Pentagon Premises Private Limited (PPPL) factors in the favourable location of its projects in Mumbai. PPPL's society redevelopment projects namely Mantri Prerna and Mantri Our Home located in Santacruz and Andheri enjoys proximity to key city areas as well as social infrastructure which is expected to support the saleability of the projects.

The rating is however constrained by the company's modest scale of operations with estimated total collections of around Rs. 40-45 crores in FY2026. PPPL remains exposed to high execution and market risks for its ongoing and upcoming projects. The pending cost to be incurred on the projects will majorly be funded through a mix of promoter infusion, customer advances and external debt associated with its projects with 61% of consolidated¹ cost yet to be incurred as of May 2025. The company remains exposed to market risks with around 78% of consolidated area yet to be sold as of May 2025 as the company has not yet launched its project Mantri Prerna for sales. The company's portfolio is also exposed to geographical concentration risk due to projects primarily being in the MMR region. Moreover, being a cyclical industry, the residential real estate sector is highly dependent on macroeconomic factors, which exposes its sales to any downturn in demand and competition within the region from various established developers.

The Stable outlook on the rating reflects ICRA's opinion that the company will benefit from the favourable location of its projects which will enhance its saleability resulting in expected improvement in its sales and collections.

Key rating drivers and their description

Credit strengths

Favourable location of the project: PPPL's society redevelopment projects namely Mantri Prerna and Mantri Our Home located in Santacruz and Andheri enjoys proximity to key city areas as well as social infrastructure which is expected to support the saleability of the projects.

Credit challenges

Modest scale of operations and exposure to market, execution and funding risk: The rating is constrained by the company's modest scale of operations with estimated total collections of around Rs. 40-45 crores in FY 2026. PPPL remains exposed to high execution and market risks for its ongoing and upcoming projects. The pending cost to be incurred on the projects will majorly be funded through a mix of promoter infusion, customer advances and external debt associated with its projects with

¹ ICRA has consolidated Mantri Prerna project of Pentagon Premises Private Limited (PPPL) along with proportionate consolidation (50%) of the project Mantri Our Home under PPPL IMK Premises LLP (PIPL)

61% of consolidated cost yet to be incurred as of May 2025. The company remains exposed to market risks with around 78% of consolidated area yet to be sold as of May 2025 as the company has not yet launched its project Mantri Prerna for sales.

Susceptibility to cyclical risk in real estate sector and geographic concentration risk: The company's portfolio is also exposed to geographical concentration risk due to projects primarily being in the MMR region. Moreover, being a cyclical industry, the residential real estate sector is highly dependent on macroeconomic factors, which exposes its sales to any downturn in demand and competition within the region from various established developers.

Liquidity position: Stretched

The liquidity position of the company is stretched with free cash and bank balance of Rs. 1.98 crore as of March 2025. The pending project cost of Rs. 99.69 crores is expected to be funded through promotor infusion, customer advances and balance through external debt.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a significant improvement in sales and collections, along with improvement in cashflow from operations and debt protection metrics.

Negative factors – Negative pressure on the rating could arise in case of decline in sales, collection or delay in project execution and/or significant debt funded investment resulting in deterioration in debt protection metrics.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the project of Pentagon Premises Private Limited (PPPL) along with proportionate consolidation (50%) of the project Mantri Our Home under PPPL IMK Premises LLP (PIPL) as this project is in a joint venture between PPPL and IMK with PPPL share being 50% for all profits and liabilities of the project.

About the company

Pentagon is a part of the Suhas Mantri group, which was set up in the early 1990s. The group promoted by Mr. Suhas Mantri, operates in the real estate business, mainly in Mumbai and Pune. The group is engaged in land development, re-development of cooperative societies, slum rehabilitation projects, residential and commercial developments etc., The group has completed around 44.36 lac sqft of Carpet area of residential and commercial projects as of March 2025.

The company undertakes residential and commercial real estate development mainly in Mumbai. It has completed and delivered 2 projects namely Mantri Sujata and Mantri Parijat in Santacruz, Mumbai in 2016 & 2018. Currently, it is executing 1 residential cum commercial project in Santacruz, Mumbai with 0.04 msf of Carpet area.

Key financial indicators (audited):

Not applicable being a project stage company

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					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 15, 2025	Date	Rating	Date	Rating	Date	Rating
Unallocated	Long term	100.00	[ICRA]BB- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Unallocated	Not Applicable

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	Unallocated	NA	NA	NA	100.00	[ICRA]BB- (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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