

March 30, 2026

## Prestige Office Ventures: [ICRA]A+ (CE) (Stable) withdrawn and [ICRA]A- (Stable) assigned simultaneously

### Summary of rating action

| Instrument*                    | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action   |
|--------------------------------|--------------------------------------|-------------------------------------|---|
| Long-term – Term loan          | 500.0                                | 350.0                               | [ICRA]A+ (CE) (Stable) withdrawn; and [ICRA]A- (Stable) assigned simultaneously |
| Long-term – Unallocated limits | -                                    | 150.0                               | [ICRA]A+ (CE) (Stable) withdrawn; and [ICRA]A- (Stable) assigned simultaneously |
| <b>Total</b>                   | <b>500.0</b>                         | <b>500.0</b>                        |   |

\*Instrument details are provided in Annexure I

Note: Credit Enhanced (CE) rating stands withdrawn, as the loan facility which was earlier backed by corporate guarantee from Prestige Estates Projects Limited (PEPL) has been fully refinanced with a lease rental discounting (LRD) loan.

### Rationale

The assigned rating to the bank lines of Prestige Office Ventures (POV) factors in the ramp-up in the committed occupancy of its key commercial office asset, Prestige Skytech, to 79% as of December 2025 (40% as of September 2024), which is likely to result in an increase in rental income in FY2026 and FY2027. This, along with expected collections of around Rs. 440-460 crore in FY2027 (PY: estimated at Rs. 440-460 crore), in its residential and commercial projects for sale, is likely to support an improvement in cash flows from operations. Despite POV refinancing the construction finance (CF) loan with a long-tenured lease rental discounting (LRD) facility with a top-up, the leverage and debt service coverage ratios are expected to be comfortable in the medium term. The rating also factors in the healthy cash flow adequacy ratio, committed receivables/ (pending cost + debt outstanding), of 115% as on December 31, 2025, reflecting strong pre-sales. The rating also considers POV's strong parentage, as a subsidiary of Prestige Estates Projects Limited (PEPL, rated [ICRA]A+(Stable)/[ICRA]A1), which is the flagship company of the Prestige Group, which is one of the leading real estate players in South India. ICRA expects the parent to provide timely financial support to POV for funding shortfall if any, given its strategic importance and PEPL's reputation sensitivity to default. The rating also factors in the favourable location of its completed and ongoing projects, which enhances its marketability.

The rating is, however, constrained by the firm's exposure to market risk in its completed commercial project, Prestige Skytech (~1.2 msf), and its ongoing commercial project, Prestige Waterfront (~0.2 msf), wherein around 21% and 40% of the area, respectively, remained unleased as on December 31, 2025. Further, in the commercial project for sale, Prestige Tech Habitat (~0.6 msf), around 62% of the firm's share of the saleable area remains unsold, thereby exposing it to market risk. The rating factors in the exposure to execution risk associated with the firm's ongoing residential and commercial projects. Nevertheless, these risks are partly mitigated by the established track record of the Prestige Group in the residential and commercial real estate segments, along with the favourable location of the projects. The rating is also exposed to the cyclicity risk inherent in the real estate business.

The Stable outlook on the rating reflects ICRA's expectations the firm's occupancy levels in the leasing segment will improve, backed by favourable location, which along with expected healthy collections in the ongoing projects in the residential segment will support the cash flow from operations and comfortable and debt protection metrics.

## Key rating drivers and their description

### Credit strengths

**Expected increase in rentals to result comfortable debt protection metrics** – The committed occupancy at the firm’s key commercial office asset, Prestige Skytech, Hyderabad, has improved sharply to 79% as of December 2025 from 40% as of September 2024, which is expected to drive higher rental income over FY2026-2027. This, coupled with expected collections of around Rs. 440-460 crore in FY2027 (PY: estimated at Rs. 440-460 crore) from its residential and commercial projects under sale, is likely to support an improvement in cash flows from operations. The cash flow adequacy ratio remains healthy at 115%, supported by strong pre-sales momentum, with 100% pre-sales achieved in Prestige Lavender Field. Further, the recent refinancing of the CF loan with a long-tenured LRD loan, along with a top-up facility, has mitigated refinancing risk. This, along with improved cash flows from operations, leads to a comfortable leverage, with Total debt/CFO improving to around 4.5 times as on March 31, 2027, from an estimated 7.0 times as on March 31, 2026, and debt service coverage ratio (DSCR) is expected to remain comfortable above 1.5 times over the medium term.

**Favourable locations of the project** – The firm’s key completed commercial project, Prestige Skytech, is located in the financial district of Hyderabad, in proximity to other key office markets like Gachibowli and Hitech City. Further, its ongoing commercial and residential projects are favourably located in Nagawara (Prestige Waterfront) and Varthur (Prestige Tech Habitat and Prestige Lavender Fields), in Bengaluru. The favourable location of these projects, with good connectivity and established infrastructure, supports its marketability.

**Strong parentage with established track record in real estate business** – POV is a subsidiary of PEPL (rated [ICRA]A+(Stable)/[ICRA]A1), which is a part of the Prestige Group. With over 39 years of experience, the Group is one of the leading real estate developers in South India. It has completed 313 real estate projects, with a developable area of around 206 msf as on December 31, 2025. It has developed a diversified portfolio of real estate projects focussing on residential, commercial, hospitality and retail segments. Besides, it offers a variety of services, such as property management services, subleasing and fit-out services. It has 65 ongoing projects across segments, with a total developable area of around 126 msf as on December 31, 2025. ICRA expects the parent to provide timely financial support to POV for funding shortfall, if any, given its strategic importance and PEPL’s reputation sensitivity to default.

### Credit challenges

**Exposure to market risk** – The firm’s completed commercial project, Prestige Skytech (~1.2 msf), and the under-construction commercial project, Prestige Waterfront (~0.2 msf), continue to be exposed to market risks, with about 20% and around 40% of the respective leasable areas remaining unleased as on December 31, 2025. Further, in the ongoing commercial project, Prestige Tech Habitat (~0.6 msf), around 62% of the firm’s share of the saleable area is yet to be sold as of December 2025, thereby exposing the project to market risk. Nonetheless, the risk is partly mitigated by the Prestige Group’s established execution and leasing track record in the commercial real estate segment, along with the favourable location of the projects.

**Exposure to execution risk** – The firm remains exposed to execution risks in its ongoing residential project, Prestige Lavender Fields, wherein around 46% of the project cost is yet to be incurred, as well as in its commercial projects—Prestige Waterfront and Prestige Tech Habitat—with approximately 37% and 56% of the respective project costs outstanding as of December 2025. The pending cost in these projects are expected to be funded by a mix of committed receivables, internal accruals and promoter contribution, if required. Nonetheless, the Prestige Group’s established track record of executing residential as well as commercial projects mitigate the execution risk to an extent.

**Vulnerability to cyclicity and changes in interest rate** – The firm is vulnerable to the inherent risks in the real estate sector. The rating notes the susceptibility of its debt coverage metrics to factors such as changes in interest rates or reduction in occupancy levels.

## Liquidity position: Adequate

POV's liquidity profile is adequate. The pending cost of the residential project is expected to be entirely met from its committed receivables, as 100% of the project has already been sold, while the pending cost of other ongoing commercial projects are likely to be funded by internal accruals and promoter contribution (if required). Also, the firm's debt obligations are expected to be comfortably serviced via its cashflow from operations.

## Rating sensitivities

**Positive factors** – The rating may be upgraded if there is healthy increase in occupancy levels at adequate rental rates in its commercial project for leasing segment and improvement in collections in its residential projects, resulting in adequate debt protection metrics. The completion of the commercial project (for sale) along with healthy collections will be a credit positive. The rating might also be upgraded if there is an improvement in the credit profile of PEPL.

**Negative factors** – The rating might be downgraded in case of decline in occupancy in its completed projects, or delay in collection in its residential projects, or material increase in indebtedness impacting its cash flows and debt protection metrics could result in a rating downgrade. The rating might be downgraded in case of weakening of linkages with PEPL, or if there is a deterioration in the credit profile of PEPL.

## Analytical approach

| Analytical approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Realty - Commercial/Residential/Retail</a><br><a href="#">Realty – Lease Rental Discounting (LRD)</a><br><a href="#">Policy on Withdrawal of Credit Ratings</a>   |
| Parent/Group support            | Parent Company: Prestige Estates Projects Limited (PEPL)<br><br>ICRA expects the ultimate parent PEPL; rated [ICRA]A+(Stable)/ [ICRA] A1, to provide timely financial support to the company for funding any shortfall given their close financial linkages, the company's strategic importance for the parent and the parent's reputation sensitivity to default. |
| Consolidation/Standalone        | The rating is based on the standalone financial profile of the company.  |

## About the firm

Prestige Office Ventures (POV), 100% subsidiary of PEPL (Prestige Estates Projects Limited; a flagship company of Prestige Group) was incorporated on February 14, 2017, as a partnership firm. Along with the three completed commercial projects, Prestige Skytech, in Hyderabad (firm's share of leasable area – 1.24 msf) and around 0.16 msf of leasable area for both Prestige Shantiniketan, Bengaluru and Prestige Phoenix, Hyderabad. Further, the firm is also developing two commercial projects – Prestige Waterfront (firm's share – 0.2 msf of leasable area) and Prestige Tech Habitat (firm's share – 0.6 msf of saleable area) in Nagawara and Varthur, respectively, in Bengaluru. Additionally, the project, Prestige Tech Habitat, is being currently executed for sale basis, against the earlier strategy of the leasing model, driven by the healthy demand. POV also has an ongoing residential project, Prestige Lavender Fields, (firm's share: ~2.2 msf of saleable area) in Varthur, Bengaluru, which is 100% sold.

### Key financial indicators (audited)

| Standalone   | FY2024 | FY2025 | 9MFY2026* |
|--|--------|--------|-----------|
| Operating income                                     | 141.2  | 250.6  | 174.9     |
| PAT  | -0.7   | -13.6  | -18.8     |
| OPBDIT/OI  | 77.6%  | 54.5%  | 48.5%     |
| PAT/OI   | -0.5%  | -5.4%  | -10.8%    |
| Total outside liabilities/Tangible net worth (times) | 3.2    | 6.3    | 6.4       |
| Total debt/OPBDIT (times)                            | 4.4    | 2.6    | 4.1       |
| Interest coverage (times)                            | 1.4    | 1.5    | 1.4       |

Source: Firm, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**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) | Mar 30, 2026     | Date  | Rating                | Date          | Rating                | Date         | Rating                |
| Fund-based – Term loan | Long term | 350.0                    | [ICRA]A-(Stable) | Dec 31, 2024                                      | [ICRA]A+(CE) (Stable) | Sept 29, 2023 | [ICRA]A+(CE) (Stable) | Jun 28, 2022 | [ICRA]A+(CE) (Stable) |
| Unallocated limits     | Long term | 150.0                    | [ICRA]A-(Stable) | -   | -                     | -             | -                     | -            | -                     |

### Complexity level of the rated instruments

| Instrument                         | Complexity indicator |
|------------------------------------|----------------------|
| Long term – Fund-based – Term loan | Simple               |
| Long term – Unallocated limits     | 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   | <b>Fund-based – Term loan</b> | FY2026           | NA          | FY2040   | 350.0                    | [ICRA]A- (Stable)          |
| NA   | <b>Unallocated limits</b>     | NA               | NA          | NA       | 150.0                    | [ICRA]A- (Stable)          |

Source: Firm

[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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### Branches



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