

February 28, 2025

## Mahindra Industrial Park Private Limited: Ratings reaffirmed; rated amount reduced

### Summary of rating actions

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Term loan	50.00	25.00	[ICRA]AA-(Stable); reaffirmed
Short-term – Fund-based	10.00	10.00	[ICRA]A1+; reaffirmed
Long-term/ Short-term – Unallocated	30.00	15.00	[ICRA]AA-(Stable)/[ICRA]A1+; reaffirmed
<b>Total</b>	<b>90.00</b>	<b>50.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The reaffirmation of ratings for Mahindra Industrial Park Private Limited (MIPPL) continues to factor in its strong operational, financial and managerial linkages with its parent, Mahindra Lifespace Developers Limited (MLDL). MLDL represents the Mahindra Group's interest in real estate development and remains strategically important to the parent (Mahindra & Mahindra Limited; rated [ICRA]AAA (Stable)/[ICRA]A1+), given its visibility and branding as a Mahindra venture. The Group has identified MLDL as one of its 'growth gems' and remains committed to support MLDL's growth aspirations and provide financial support, whenever required. MLDL's financial risk profile is healthy with estimated leverage (total debt/CFO) of around 1.4-1.5 times as on March 31, 2025 and 1.65-1.75 times as on March 31, 2026 (as per ICRA's estimates).

The ratings factor in the expectation of high degree of support from MLDL to MIPPL. ICRA expects MLDL to provide funding support to MIPPL, given their close financial linkages, MIPPL's strategic importance for the parent (MLDL) and the parent's reputation sensitivity to default. At present, MIPPL is developing an industrial park at Jansali, near Ahmedabad. The ratings note the favourable project location with direct access to National Highway 47 (8A), along with proximity to industrial clients in Sanand area (58 km away). Further, the park is 77 km from Ahmedabad Airport, 60 km from Surendranagar station (Ahmedabad) and 280 km from Kandla Port, thereby offering good connectivity. International Financial Corporation (IFC) has made strategic investment in MIPPL to support the development of the project.

The ratings, however, are constrained by MIPPL's exposure to market risks with no sales booked in the industrial park till date. The company is yet to find suitable anchor tenants for the project. It is exposed to high geographical and asset concentration risks, which is inherent in single project companies.

The Stable outlook on the [ICRA]AA- rating reflects ICRA's opinion that the company will benefit from the strong brand reputation, high degree of support from MLDL and financial flexibility from being a part of the Mahindra Group.

### Key rating drivers and their description

#### Credit strengths

**Established track record of parent and strategic partner** – MIPPL is a wholly-owned subsidiary of MLDL, the real estate and infrastructure development business of the Mahindra Group. MLDL's development footprint spans ~30 msf of completed, ongoing and forthcoming residential projects across seven Indian cities, and over 5,000 acres of ongoing and forthcoming projects under development/management at its integrated developments/industrial parks across four locations. In 9M FY2025,

MLDL reported pre-sales of Rs. 1,750 crore and collections of Rs. 1,365 crore, marking a YoY growth of 40% and 40%, respectively.

**Strong financial profile of the parent company** – MLDL has reported healthy operating performance in FY2024, marked by robust growth in sales, steady collections and increased cash flow from operations (CFO). The performance is expected to sustain in FY2025 on the back of healthy launch pipeline and continued end-user demand. As on December 31, 2024, out of MLDL's consolidated ongoing portfolio of residential projects of 10.72 msf, the Group has booked as much as 70% of area with a sales value of Rs. 6,293 crore and the balance committed receivables of Rs. 3,093 crore. This coupled with low reliance on debt results in a comfortable cash flow adequacy ratio of 61% for the Group's launched projects in the residential segment. MLDL has a healthy financial risk profile, with estimated leverage (total debt/CFO) of around 1.4-1.5 times as on March 31, 2025 and 1.65-1.75 times as on March 31, 2026 (as per ICRA's estimates) and an adequate liquidity position. The ratings factor in the expectation of high degree of support from MLDL to MIPPL, given the strategic importance, the common brand name and the management linkages with the special purpose vehicle (SPV).

**Favourable project location** – At present, MIPPL is developing an industrial park. Located about 70 km from Ahmedabad in western Gujarat, the industrial park will mainly consist of industries of various industrial clusters such as machine manufacturing, plastic moulding, textiles, packaging and light engineering ancillary industries. The site benefits from its good location, visible frontage and direct access to National Highway 47 (8A), along with proximity to industrial clients in Sanand area (58 km away). Further, the park is 77 km from Ahmedabad Airport, 60 km from Surendranagar station (Ahmedabad) and 280 km from Kandla Port, thereby offering good connectivity.

### Credit challenges

**Exposure to market risk** – MIPPL is exposed to market risk as no sales has been booked in the industrial park till date. At present, the company has no pipeline of prospective customers, and leasing is expected to start in FY2026. However, the Group's track record in selling and leasing around 2,352 acres of saleable/leasable area in various industrial parks as on December 31, 2024 provides comfort. As on December 31, 2024, the company has incurred 50% of the total budgeted cost and 18% of the budgeted construction cost on the project. The demand-linked construction phasing offsets the dependence on sales and collections over the near term.

**Geographical and asset concentration risk** – This is a single project undertaken by MIPPL. Thus, the company is exposed to high geographical and asset concentration risks inherent in single project companies. However, ICRA draws comfort from the Group's diverse portfolio of over 5,000 acres of ongoing and forthcoming projects under development/management at its integrated developments/industrial parks across four locations.

### Liquidity position: Adequate

The company's liquidity profile is adequate and is supported by timely fund infusion by the parent- MLDL. The parent remains committed to provide further funding support to MIPPL for meeting any shortfall in servicing its debt obligations. The pending project cost of Rs. 186 crore is expected to be met through receivables from sale of industrial plots to the prospective tenants and through funding support from MLDL, if required. As of December 2024, MIPPL had free cash balance of Rs. 0.22 crore and an undrawn overdraft facility of Rs. 0.63 crore.

### Rating sensitivities

**Positive factors** – ICRA may upgrade the ratings if there is a significant ramp-up in sales at adequate rates and collections, along with an improvement in the credit profile of the parent (MLDL).

**Negative factors** – Significant cost overruns or considerable delays in sales affecting the cash flows from operations and debt coverage metrics could impact the ratings. Further, a deterioration in the credit profile of the parent MLDL or any weakening of the linkages with the parent (MLDL) would be a credit negative.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Realty - Commercial/Residential/Retail</a>
Parent/Group support	Parent/Group Company - Mahindra Lifespace Developers Limited (MLDL). ICRA expects the parent, MLDL, to provide timely financial support to MIPPL, for funding any shortfall, given their substantial financial linkages, MIPPL's strategic importance for the parent and parent's reputation sensitivity to default.
Consolidation/Standalone	Standalone

## About the company

Mahindra Industrial Park Private Limited (MIPPL), a wholly-owned subsidiary of Mahindra Lifespace Developers Limited (MLDL), has acquired around 338 acres of contiguous land at Jansali, near Ahmedabad, for setting up an industrial park. The company has partnered with International Finance Corporation (IFC), a member of the World Bank Group for the development of the project at Jansali. The project will be marketed under the brand 'Origins by Mahindra World City'.

## About the parent company

Mahindra Lifespace Developers Limited (MLDL), parent company of MIPPL, is the real estate and infrastructure development arm of the Mahindra Group. MLDL's development footprint spans 30 msf of completed, ongoing and forthcoming residential projects across seven Indian cities, and over 5,000 acres of ongoing and forthcoming projects under development/management at its integrated developments/industrial parks across four locations. MLDL represents the Mahindra Group's interest in real estate and is strategically important to the parent, given its visibility and branding as a Mahindra venture.

**Key financial indicators (audited) – MIPPL** – Not applicable for a project stage company

**Key financial indicators (audited) – MLDL**

Consolidated	FY2023	FY2024
Operating income	606.6	212.1
PAT	-15.3	-81.2
OPBDIT/OI	-16.2%	-80.6%
PAT/OI	-2.5%	-38.3%
Total outside liabilities/Tangible net worth (times)	1.0	1.6
Total debt/OPBDIT (times)	-2.7	-5.1
Interest coverage (times)	-9.0	-23.1

Source: Company, ICRA Research; 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

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Feb 28, 2025	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term - Term loan-Fund-based	Long Term	25.00	[ICRA]AA-(Stable)	-	-	Nov 24, 2023	[ICRA]A A-(Stable)	Aug 23, 2022	[ICRA]A A-(Stable)	Jul 5, 2021	[ICRA]A A-(Stable)
Short-term - Cash credit -Fund-based	Short Term	10.00	[ICRA]A1+	-	-	Nov 24, 2023	[ICRA]A 1+	Aug 23, 2022	[ICRA]A 1+	Jul 5, 2021	[ICRA]A 1+
Long-term/Short-term-Unallocated	Long Term/Short Term	15.00	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	Nov 24, 2023	[ICRA]A A-(Stable)/[ICRA]A 1+	Aug 23, 2022	[ICRA]A A-(Stable)/[ICRA]A 1+	Jul 5, 2021	[ICRA]A A-(Stable)/[ICRA]A 1+

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Term loan	Simple
Short-term – Fund-based	Simple
Long-term/Short-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](https://www.icra.in)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Term loan	Jan 2020	-	FY2028	25.0	[ICRA]AA-(Stable)
NA	Short-term – Fund-based	-	-	-	10.0	[ICRA]A1+
NA	Long-term/ Short-term – Unallocated	-	-	-	15.0	[ICRA]AA-(Stable)/ [ICRA]A1+

Source: Company

#### Annexure II: List of entities considered for consolidated analysis – Not Applicable

## ANALYST CONTACTS

**Ashish Modani**

+91 22 61693300

[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Anupama Reddy**

+91 40 4547 4829

[anupama.reddy@icraindia.com](mailto:anupama.reddy@icraindia.com)

**Tushar Bharambe**

+91 22 6169 3347

[tushar.bharambe@icraindia.com](mailto:tushar.bharambe@icraindia.com)

**Sonali Agarwal**

+91 80 4332 6418

[sonali.agarwal@icraindia.com](mailto:sonali.agarwal@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.