

June 24, 2025

Mantra Properties and Developers Pvt Ltd: Ratings Reaffirmed; outlook revised to Stable from Positive

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]BBB (Stable); reaffirmed and outlook revised to Stable from Positive
Total	-	-	

*Instrument details are provided in Annexure I

Rationale

The revision in the outlook for Mantra Properties and Developers Pvt Ltd (MPDPL) factors in the Mantra Group's¹ lower than anticipated collections in FY2025 owing to some delay in the new project launches, resulting in moderation in cashflow from operations as compared to ICRA's earlier expectations. Notwithstanding moderation in CFO, the debt protection metrics continues to remain comfortable.

The rating reaffirmation of MPDPL factors in the expected improvement in Mantra Group's collections in FY2026 and FY2027, driven by healthy sales velocity in its ongoing and recently launched projects along with adequate construction progress. The Group is currently developing 9 residential projects with a total development potential of ~8.2 million square feet (msf) with 37% of the launched area sold. Of the 9 projects, 3.8 msf from 3 projects has been launched only in March 2025. Excluding these recent launches, 63% of the launched area is sold from the other 6 projects as of March 2025. The Group's collections are estimated to grow by about 20-22% to around Rs 750-800 crores in FY2026 (PY: Rs 639 crores) and further by about 23-25% in FY2027. The total debt is estimated to be around Rs. 180-190 crore as on March 2026 (PY: 170 crore) and the leverage, Total external debt/CFO, is expected to remain comfortable in the range of around 1.5-1.7 times as of March 2026 and March 2027. The rating continues to factor in the established track record of the Mantra Group in the Pune real estate market and has delivered 26 residential real estate projects till date with a developed area of around 7.0 msf.

The rating is, however, constrained by the execution, market and funding risks arising from the recently launched projects admeasuring around 3.8 msf of saleable area which were launched in March 2025 of which around 3.4 msf of area is yet to be sold along with pending construction cost of around 76% of the total cost which is yet to be incurred as of March 2025. Going forward, the healthy sales and collections momentum would be critical for improving the operational cashflow generation. The Group's portfolio is also exposed to high geographical concentration risk as all the projects are in the Pune city targeting residential buyers. The group is in the process of undertaking one new project in MMR region which is expected to be launched in another 12-18 months, thus expanding to the new geographies. Moreover, being a cyclical industry, the real estate sector is highly dependent on macro-economic factors, which exposes the company's sales to any downturn in demand.

The stable outlook on the long-term rating reflects the Group will achieve healthy sales velocity in its ongoing and newly launched projects leading to improvement in collections along with continued comfortable leverage metrics.

¹ For arriving at the ratings, ICRA has consolidated the financials of Mantra Properties and Developers Pvt Ltd along with its subsidiaries, as these entities are involved in real estate operations and has close business, financial and managerial linkages along with a common treasury team.

Key rating drivers and their description

Credit strengths

Expected improvement in collections; comfortable leverage metrics – The Group's collections are estimated to grow by about 20-22% to around Rs 750-800 crores in FY2026 (PY: Rs 639 crores) and further by about 23-25% in FY2027. The total debt is estimated to be around Rs. 180-190 crore as on March 2026 (PY: 170 crore) and the leverage, Total external debt/CFO, is expected to remain comfortable in the range of around 1.5-1.7 times as of March 2026 and March 2027. The Group is currently developing 9 residential projects with a total development potential of ~8.2 million square feet (msf) with 37% of the launched area sold. Of the 9 projects, 3.8 msf from 3 projects has been launched only in March 2025 (as against earlier expectation of Q3FY2025). Excluding these recent launches, 63% of the launched area is sold from the other 6 projects as of March 2025.

Established track record of Mantra Group in Pune real estate market – The Mantra Group has been in real estate market for 15 years with around 26 residential real estate projects till date with a developed area of around ~7 msf. It is currently developing 9 residential projects with a total development potential of 8.2 msf. The Group has demonstrated healthy saleability in its ongoing projects. While in the past, the Group was focused on the affordable housing projects at the outskirts of the city, the projects launched over the last three to four years are more city centric and in mid and luxury segment.

Credit challenges

Exposure to execution and funding risks – The group is exposed to execution and funding risks arising from the recently launched projects admeasuring around 3.8 msf of saleable area which were launched in March 2025 of which around 3.4 msf of area is yet to be sold along with pending construction cost of around 76% of the total cost which is yet to be incurred as of March 2025. Going forward, healthy sales and collections momentum would be critical for improving the operational cashflow generation.

High geographical concentration risks; exposed to cyclicity in real estate business – The Group's portfolio is also exposed to high geographical concentration risk as all the projects are in the Pune city targeting residential buyers. Nonetheless, the risk is partly mitigated as the projects are spread across different micro markets and the group is in the process of undertaking one new project in MMR region which is expected to be launched in another 12-18 months, thus expanding to the new geographies. Moreover, being a cyclical industry, the real estate sector is highly dependent on macro-economic factors, which exposes the company's sales to any downturn in demand.

Liquidity position: Adequate

MPDPL's liquidity position is adequate supported by unencumbered cash and bank balances of Rs. 66.4 crores as of March 2025 and undrawn bank lines aggregating to around Rs. 60 crores. The group has healthy committed receivables of Rs 744 crore as of March 2025. Further, the group has debt repayments to the tune of Rs. 40 crores in FY2026 and Rs. 45 crores in FY2027 which are expected to be adequately met from its cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is a sustained healthy improvement in sales and collections in the ongoing and upcoming projects resulting in a material increase cashflow from operations while maintaining comfortable leverage and debt coverage metrics.

Negative factors – Negative pressure on MPDPL's rating could arise if there is sustained material reduction in sales and collections or significant debt-funded growth plans adversely impacting the leverage position or weakening the liquidity profile of the company. Further, reduction in cash flow adequacy ratio below 40% on a consistent basis will be a negative trigger.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Residential/Retail/Commercial
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken consolidated financials of MPDPL along with its subsidiaries, as these entities are involved in real estate operations and has close business, financial and managerial linkages along with a common treasury team.

About the company

Incorporated in 2013, Mantra Properties and Developers Pvt Ltd (MPDPL) is the holding company of the Mantra Group's real estate business. The Pune-based Group, founded by the Late Mr. Puranchand Kishorilal Gupta, has diversified business interests. The Group ventured into real estate in 2006 and has delivered 26 residential real estate projects till date with an area of around 7 msf. At present, the Group is undertaking 9 residential projects in Pune, with a total development potential of 8.2 msf.

Key financial indicators (audited)

MPDPL (Consolidated)	FY2023	FY2024
Operating income	837.9	731.6
PAT	60.4	62.1
OPBDIT/OI	9.1%	8.6%
PAT/OI	7.2%	8.5%
Total outside liabilities/Tangible net worth (times)	9.2	7.5
Total debt/OPBDIT (times)	9.7	13.5
Interest coverage (times)	4.2	4.3

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

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	June 24, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	-	[ICRA]BBB (Stable)	-	-	March 05, 2024	[ICRA]BBB (Positive)	March 30, 2023	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	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	Issuer Rating	-	-	-	-	[ICRA]BBB (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	EIL Ownership	Consolidation Approach
Mantra Sky Castle Private Limited	99%	Full Consolidation
Mantra Residencies Mundhwa Private Limited	99%	Full Consolidation
Selenite Housing Private Limited	99%	Full Consolidation
Srinivas Infrabuildtech Pvt Ltd	99%	Full Consolidation
Mantra Kingdom Pvt Ltd	99%	Full Consolidation
A Plus Design House LLP	99%	Full Consolidation
A to Z Utility Services LLP	99%	Full Consolidation
Mantra 29 Goid Coast Developer LLP	33%	Full Consolidation
Mantra Builders LLP	99%	Full Consolidation
Mantra Mansion LLP	99%	Full Consolidation
Mantra Buildcity LLP	99%	Full Consolidation
Mantra Buildcrafts Private Limited	99%	Full Consolidation
Mantra Development LLP	99%	Full Consolidation
Mantra Earth LLP	99%	Full Consolidation
Mantra Erectors and Builders LLP	99%	Full Consolidation
Mantra Greens Private Limited	99%	Full Consolidation
Mantra Huizen LLP	99%	Full Consolidation
Mantra Infradevelopers LLP	99%	Full Consolidation
Mantra Infra-edge County LLP	99%	Full Consolidation
Mantra Infrahome LLP	99%	Full Consolidation
Mantra Insignia LLP	99%	Full Consolidation
Mantra Island Homes Chimbli Private Limited	99%	Full Consolidation
Mantra Island Homes Talegaon LLP	99%	Full Consolidation
Mantra praediis LLP	99%	Full Consolidation
Mantra Residencies Private Limited	84%	Full Consolidation
S2S Buildcity LLP	99%	Full Consolidation
Mantra Kothrud Ventures LLP	99%	Full Consolidation
Mantra Properties	99%	Full Consolidation
Mantra Zicronia Private Limited	99%	Full Consolidation
Mantra Shelton	99%	Full Consolidation
Mantra Universe	99%	Full Consolidation
Mantra Estate	50%	Full Consolidation
Grand Edifice	99%	Full Consolidation

Company Name	EIL Ownership	Consolidation Approach
Mantra Heaven	99%	Full Consolidation
Mantra Realtors	99%	Full Consolidation
Samarth Developers	99%	Full Consolidation
Mantra Homes	99%	Full Consolidation
Mantra Spaces	99%	Full Consolidation
Mantra Praediis Phase I	99%	Full Consolidation
Mantra Praediis Phase II	99%	Full Consolidation
Mantra Praediis Phase III	99%	Full Consolidation
Mantra Praediis Phase IV	99%	Full Consolidation
Mantra Praediis Phase V	99%	Full Consolidation
Mantra Praediis Phase VI	99%	Full Consolidation
Mantra Praediis Phase VII	99%	Full Consolidation
Mantra Praediis Phase VIII	99%	Full Consolidation
Mantra Praediis Phase IX	99%	Full Consolidation
Mantra Praediis Phase X	99%	Full Consolidation
Mantra City	99%	Full Consolidation
Mantra Creation	99%	Full Consolidation
Mantra Development	99%	Full Consolidation
Mantra Meadows	99%	Full Consolidation
Mantra Ocean	99%	Full Consolidation
Majestique Constructions	50%	Full Consolidation
Majestique Properties	50%	Full Consolidation
Majestique Mantra Ventures	50%	Full Consolidation
Mantra Magic Developers	80%	Full Consolidation
Mantra Universe Private Limited	99%	Full Consolidation
Regency Mahavir Associates	99.99%	Full Consolidation

Source: Annual report; ICRA Research

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