

July 03, 2025

KeyBlue Realtors Private Limited: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long Term-Fund Based-Term Loan	75.00	[ICRA]BBB+ (Stable); assigned
Total	75.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating for KeyBlue Realtors Private Limited (KRPL) factors in the established experience of the parent, Keystone Realtors Limited (KRL), the flagship company of the Rustomjee Group in the real estate market of Mumbai Metropolitan Region (MMR). The Rustomjee Group has a long track record of close to three decades and an established position in the residential real estate market in MMR, underpinned by 26 million square feet (msf) of deliveries till March 2025. Additionally, the Group has an under-construction project portfolio comprising a saleable area of around 7.9 msf as of March 2025 and forthcoming developments of ~27 msf over the medium term. The residential project, Rustomjee Urbanwoods, comprising four towers with a total carpet area of ~0.55 msf in Phase I is being developed by KRPL. The project was launched in February 2025 and has received a good response with booking for ~27% of the total carpet area as of May 2025. The sales from the project are estimated at Rs. 100-150 crore p.a. in FY2026-FY2027 with collections of Rs. 60-110 crore p.a. ICRA expects the parent, KRL, to provide timely financial support to KBRPL, for funding shortfall, if any, given their substantial financial linkages, the company's strategic importance for the parent and KRL's reputation sensitivity to default.

The rating is, however, constrained by the initial stages of project construction with only 9% of the total project cost incurred as of March 2025. The project is exposed to significant market risks as 73% of the area is yet to be sold as of May 2025. Nevertheless, ICRA draws comfort from the parent's experience in real estate market in MMR and its long track record of successful execution of projects in a timely manner. Nonetheless, the construction and sales progress would be a key monitorable. The cash flow adequacy ratio is moderate at 22% as of March 2025 with committed receivables of Rs. 82.5 crore against pending costs of Rs. 351.8 crore and a total debt of Rs. 25 crore. The rating factors in the company's moderate scale of operations as it has a single under-construction residential property with a saleable area of 0.55 msf. The rating remains constrained by the geographical and asset concentration risk as well as susceptibility to cyclicity in the real estate sector.

The Stable outlook on the rating reflects ICRA's opinion that the company will be able to achieve adequate collections and construction progress in the project, resulting in an improvement in cash flow operations.

Key rating drivers and their description

Credit strengths

Strong operational track record and brand strength of Rustomjee Group in real estate sector – The Rustomjee Group has a long track record of close to three decades and an established position in the residential real estate market in MMR, underpinned by 26 msf of deliveries till March 2025. Additionally, the Group has an under-construction project portfolio comprising a saleable area of around 7.9 msf as of March 2025 and forthcoming developments of ~27 msf over the medium term.

Adequate sales velocity since launch – The residential project, Rustomjee Urbanwoods, comprising four towers with a total carpet area of ~0.55 msf in Phase I is being developed by KRPL. The project was launched in February 2025 and has received a

good response with booking for ~27% of total carpet area as of May 2025. The sales from the project are estimated at Rs. 100-150 crore p.a. in FY2026-FY2027 with collections of Rs. 60-110 crore p.a.

Credit challenges

Exposed to execution and market risks; moderate scale of operations – The company is exposed to execution risks as the project is in the initial stages of construction with only 9% of the total project cost incurred as of March 2025. The project faces significant market risks as 73% of the area is yet to be sold as of May 2025. KRPL’s scale of operations is modest as it has a single under-construction residential property with a saleable area of 0.55 msf. The cash flow adequacy ratio is moderate at 22% as of March 2025 with committed receivables of Rs. 82.5 crore against pending costs of Rs. 351.8 crore and total debt of Rs. 25 crore.

Geographical and asset concentration risks; exposure to cyclical in real estate sector – The company is dependent on a single ongoing residential project, which is limited to the real estate market in MMR, thereby exposing it to high geographical and asset concentration risks. Any adverse development in the region can impact the execution and sales of the project. Further, the residential real estate sector, being cyclical in nature, is highly dependent on macro-economic factors, which exposes the company’s sales to any downturn in demand and competition within the region from various other developers.

Liquidity position: Adequate

The liquidity position remains adequate. As of March 2025, the company has pending costs of Rs. 351.8 crore, which are to be funded by undrawn debt of Rs. 50 crore, committed receivables of Rs. 82.5 crore and the remaining by incremental sales. As on March 31, 2025, the company has cash and liquid balances of Rs. 22.5 crore and undrawn bank limits of Rs. 50 crore. Further, debt repayment obligations are limited to interest payments in FY2026 and FY2027, as the principal payment has a moratorium of 24 months.

Rating sensitivities

Positive factors – The rating may be upgraded if significant and sustained growth in sales and collections of the project results in an improvement in cash flow from operations, improvement in debt protection metrics and liquidity.

Negative factors – Significant delays in project execution leading to cost overruns or subdued collections impacting the cash flows from operations would be a credit negative. Additionally, weakening of linkages with KRL or deterioration in the credit profile of KRL could result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Support Provider: Keystone Realtors Limited (KRL) ICRA expects the support provider, KRL, to provide timely financial support to KRPL, for funding shortfall, if any, given their substantial financial linkages, RDEPL’s strategic importance for the parent and KRL’s reputation sensitivity to default.
Consolidation/Standalone	Standalone

About the company

KeyBlue Realtors Private Limited (KRPL) was established in February 2022 for execution of residential projects. KRPL is 100% held by Keystone Realtors Limited, which is a flagship entity of the Rustomjee Group and is rated [ICRA] A+ (Stable).

KRPL is developing a residential project called Urban Woods by Rustomjee located near Kalyan Shilphata Road, in Dombivli, Mumbai. The project consists of eleven buildings in 11.73 acres of land having 1 BHK, 2 BHK and 3 BHK flats. The project will be constructed in three phases with currently Phase I under development. The total project cost for Phase I is Rs. 386.5 crore funded by debt of Rs. 75 crore, equity of Rs. 41 crore and the balance through collections from customers.

Key financial indicators (audited)

KRPL – Standalone	FY2024	FY2025
Operating income	-	-
PAT	-1.5	-8.0
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	-26.0	-11.1
Total debt/OPBDIT (times)	-25.8	-8.8
Interest coverage (times)	-	-167.2

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

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 03, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	75.00	[ICRA]BBB+ (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
NA	Long-term – Fund-based – Term loan	September 20, 2023	8.95%	FY2030	75.00	[ICRA]BBB+ (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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