

August 25, 2025

Wakad Realty Private Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	575.00	625.00	[ICRA]BBB+ (Stable); reaffirmed and assigned for enhanced amount
Total	575.00	625.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Wakad Realty Private Limited (WRPL) factors in the favourable location and the healthy pre-leasing for its asset, 'Eon West Wakad – Tower D', at 64% (including Letter of Intent (LOI)). The asset is favourably located in Wakad, Pune with a total leasable area of 1.2 million square feet (msf). The project is at an advanced stage of construction with partial occupancy certificate (OC) received (for 10 floors out of total 19 floors) and is expected to be fully completed within the revised scheduled DCCO of March 2026, reducing execution risks. The leverage, as measured by total debt/annualised net operating income (NOI), is estimated to remain adequate at 6.5-6.7 times as of March 2027. The rating draws comfort from the strong financial flexibility and established track record of the sponsors - Panchshil Group, holding 67.86% stake and Reco Real Private Limited [part of the Government of Singapore Investment Corporation (GIC)], holding 32.14% stake. The Panchshil Group has delivered 31.7 msf of real estate projects and another 27.6 msf is under development across multiple assets classes (residential, office, retail, hotels and convention centres). GIC is the sovereign wealth fund of Singapore having a track record of over four decades and a strong investment portfolio. The budgeted cost of the project is Rs. 677.1 crore (excluding land), which is expected to be funded by a debt of Rs. 625 crore and the balance through promoter contribution, internal accruals and security deposit. The funding risk for the project remains low as the debt has been tied up and committed promoter contribution has been fully infused as on March 31, 2025.

The rating is, however, constrained by the project's exposure to market risk for 36% of the area, which is yet to be tied up. However, ICRA draws comfort from the favourable location of the asset and demonstrated track record of the Panchshil Group in achieving healthy leasing in its other parks with reputed counterparties, which mitigates the risk to an extent. The company is exposed to high tenant concentration risk in the asset, with two tenants occupying the entire pre-leased area including 54% area by a single tenant. The CF loan availed for the project has a single bullet repayment falling due in March 2026. Any significant delays in achieving lease tie-ups at adequate rentals may impact the company's refinancing ability. The debt coverage metrics are expected to remain moderate. The company is also exposed to high geographical and asset concentration risks inherent in a single project portfolio. The rating notes the vulnerability of its debt coverage metrics to factors such as changes in interest rates or reduction in occupancy levels.

The Stable outlook reflects ICRA's opinion that the company will benefit from timely rental commencement from the healthy pre-leasing levels and will be able to tie-up leasing in a timely manner for the vacant area at adequate rental rates prior to the repayment of CF loan while maintaining adequate leverage.

Key rating drivers and their description

Credit strengths

Strong promoter with established track record – WRPL is promoted by Panchshil Group holding 67.84% stake and Reco Real Private Limited (part of GIC Group) holding 32.14% stake. The Panchshil Group has delivered 31.7 msf of real estate projects and another 27.6 msf of area is under development across multiple asset classes (residential, office, retail, hotels and convention centres). GIC is the sovereign wealth fund of Singapore having a track record of over four decades and a strong investment portfolio. Further, as a part of the sanction terms for the CF debt, the sponsors have provided unconditional undertaking to fund any cost overruns.

Favourable project location – The project is in Wakad, Pune, with good connectivity (just a kilometre off the Mumbai-Bangalore Highway and just 7 km away from the Pune-Mumbai Expressway) and socio-civic infrastructure. The upcoming Pune Metro station at a distance of 2.5 kilometre from the project will further enhance the connectivity. Further, the project is conveniently accessible from major residential catchments like Ravet, Rahatani, Balewadi, Baner, Aundh, Pashan, Bavdhan, Kothrud and Warje (within 15-30 minutes drive) via the Mumbai-Bangalore Highway, a key arterial road.

Adequate leverage and low funding risk – The leverage, as measured by total debt/annualised NOI, is estimated to remain adequate at 6.5 – 6.7 times as of March 2027. The budgeted cost of the project is Rs. 677.1 crore (excluding land), which is expected to be funded by debt of Rs. 625 crore and the balance through promoter contribution/internal accruals/security deposit. The funding risk for the project remains low as the entire debt has been tied up and committed promoter contribution has been fully infused as of March 2025. The DCCO of the project was extended from March 2025 to March 2026 due to increase in the scope of the project.

Credit challenges

Exposure to market risks and tenant concentration risk – The company is exposed to market risk for 36% of the area, which is yet to be tied up. However, ICRA draws comfort from the favourable location of the asset and demonstrated track record of the Panchshil Group in achieving healthy leasing in its other parks with reputed counterparties, which mitigates the risk to an extent. The company is exposed to high tenant concentration risk in the asset, with two tenants occupying the entire pre-leased area (54% area by a single tenant).

Exposure to refinancing risk; moderate debt coverage metrics – The CF loan availed for the project has a single bullet repayment falling due in March 2026, which provides adequate timeline for leasing. Nonetheless, any significant delays in achieving lease tie-ups at adequate rentals may impact the company's refinancing ability. The debt coverage metrics are expected to remain moderate.

Geographical and asset concentration risks – The company is exposed to high geographical and asset concentration risks inherent in a single project portfolio.

Liquidity position: Adequate

The liquidity position remains adequate. The pending project cost of Rs. 113.7 crore as of March 2025 is expected to be funded by undisbursed term loan of Rs. 110 crore and the balance through a mix of internal accruals and security deposits. The CF loan has a bullet repayment falling due in March 2026. The company is expected to refinance the same through LRD loan. The debt repayment obligations for the term loan for FY2026 are expected to be partly met from its cash flow from operations and from fund infusion by promoters, as the rent commencement for the pre-leased area is in a phased manner. Also, the company has unutilised overdraft limits of around Rs. 10 crore as of March 2025.

Rating sensitivities

Positive factors – WRPL’s rating might be upgraded if there is a healthy leasing ramp-up at adequate rental rates mitigating the refinancing risk and resulting in an improvement in debt protection metrics. Specific credit metric that could lead to a rating upgrade is five-year average DSCR above 1.20 times on a sustained basis.

Negative factors – Downward pressure on the rating could emerge if a significant delay in construction progress or inability to ramp-up leasing at adequate rental rates impact the company’s ability to timely refinance the CF loan.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Wakad Realty Private Limited (WRPL) is developing a commercial office project, named Eon West Wakad Tower-D, at Wakad, Pune. The project comprises one building with a total leasable area of 1.2 msf. The project’s scheduled DCCO is in March 2026. Premsagar Infra Realty Private Limited (PIRPL, part of Panchshil Group) holds 59.24% stake in WRPL, while Reco Real Private Limited (part of GIC Group) holds 32.14% stake.

Key financial indicators (audited): Not Applicable for a project company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	Aug 25, 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based-Term Loan	Long Term	625.00	[ICRA]BBB+ (Stable)	May 09, 2024	[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	Term Loan	March 2022	NA	March 2026	625.00	[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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