September 15, 2025

Dollars Hotel and Resorts Private Limited: [ICRA]A+ (CE) (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term Fund based Term Loan	850.00	[ICRA]A+ (CE) (Stable); assigned
Total	**850.00**	

**Instrument details are provided in Annexure I*

Rating without explicit credit enhancement	[ICRA]A

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

The assigned rating is based on the strength of the corporate guarantee provided by Prestige Estates Projects Limited (PEPL/the guarantor, rated [ICRA]A+ (Stable)/[ICRA]A1), for the term loans of Dollars Hotel and Resorts Private Limited (DHRPL). The Stable outlook on this rating reflects ICRA's outlook on the rating of the guarantor, PEPL.

Adequacy of credit enhancement

The rating of the instrument is based on the credit substitution approach, whereby the rating of the guarantor has been translated to the rating of the said instrument. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument and has a well-defined pre-default invocation and payment mechanism. Given these attributes, the guarantee provided by Prestige Estates Projects Limited is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]A+(CE) against the rating of [ICRA]A without explicit credit enhancement. In case the rating of the guarantor was to undergo a change in future, the same would reflect in the rating of the aforesaid instrument as well.

Salient covenants of the rated facility

- DSRA of 3 months P+I obligation to be maintained throughout the tenure of the loan
- Security cover ratio should not be less than 4.35 times of the sanctioned loan amount

Key rating drivers and their description for the guarantor (PEPL)

Credit strengths

- Estimated healthy operating performance in the residential segment
- Comfortable leverage
- Leading real estate developer with a long track record, strong market position and diversified portfolio

Credit challenges

- Risks associated with large-scale, ongoing and upcoming projects
- Exposed to inherent cyclicality in real estate sector

Please refer to the following link for the detailed rationale of the guarantor's rating, published in August 2025. Click here.

Liquidity position

For the guarantor (PEPL): Adequate (more details can be seen at this link. Click here.)

For the rate entity (DHRPL): Adequate

The company's liquidity position is adequate. It has free cash and cash equivalents of ~Rs. 5.5 crore as on March 31, 2025. Its cash flows from operations are expected to be sufficient to cover the debt obligations of ~Rs. 79 crore in FY2026. Further, it has no major capital expenditure plans in the near to medium term.

Rating sensitivities

Positive and negative factors – The rating assigned by ICRA to the term loans of DHRPL is principally based on the strength of the corporate guarantee executed by PEPL. Accordingly, any future rating change, upgrade or downgrade, will remain synchronous with changes, if any, in the credit quality of PEPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	The rating is based on the corporate guarantee extended by Prestige Estates Projects Limited (PEPL) in favour of the lender of the debt facility of Dollars Hotel and Resorts Private Limited (DHRPL).
Consolidation/Standalone	The debt facility is backed by the corporate guarantees from PEPL. To arrive at the rating of PEPL, ICRA has assessed its consolidated risk profile. Details of the entities considered for consolidation are available at this link. (Click here)

About the company

Dollars Hotel and Resorts Private Limited (DHRPL) was incorporated in 2004. It is involved in the business of real estate development and related activity. DHRPL has developed a commercial project, Prestige Tech Pacific Park, in Outer Ring Road (ORR), Bengaluru. Prestige Tech Pacific Park has four buildings, Pacific 1 (with total leasable area of 0.68 million square feet (msf)), Pacific 2 (with total leasable area of 0.42 msf), Pacific 3 (with total leasable area of 0.08 msf) and a dome (with total leasable area of 0.02 msf). As of June 2025, the occupancy of all four buildings stood at 100%. The company has availed a lease rental discounting (LRD) loan of Rs. 850 crore against the project.

Key financial indicators (audited)

DHRPL	FY2024	FY2025
Operating income	1.6	23.4
PAT	2.3	-21.8
OPBDIT/OI	99.4%	48.8%
PAT/OI	142.1%	-93.1%
Total outside liabilities/Tangible net worth (times)	136.9	-39.3
Total debt/OPBDIT (times)	254.3	53.3
Interest coverage (times)	0.9	0.6

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; DHRPL follows IndAS and key financial ratios are not representative of actual cash flows

Key financial indicators (audited)

PEPL (Consolidated)	FY2024	FY2025
Operating income	7877.1	7349.4
PAT	1618.0	659.6
OPBDIT/OI	31.7%	34.8%
PAT/OI	20.5%	9.0%
Total outside liabilities/Tangible net worth (times)	3.1	2.6
Total debt/OPBDIT (times)	5.4	5.2
Interest coverage (times)	2.0	1.9

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; PEPL follows IndAS and key financial ratios are not representative of actual cash flows

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)	Sep 15, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based-Term loan	Long Term	850.00	[ICRA]A+(CE) (Stable)	-	-	-	-	-	-

Complexity level of the rated instrument

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/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	Feb 2025	8.5%	Jan 2040	850.00	[ICRA]A+(CE) (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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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.

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