

September 25, 2025

Pacific Development Corporation Limited: Ratings Reaffirmed; Assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Term Loan	432.5	713.5	[ICRA]A+ (Stable); Reaffirmed; Assigned for enhanced amount
Long-term – Fund based working capital	41.0	60.0	[ICRA]A+ (Stable); Reaffirmed; Assigned for enhanced amount
Short-term – Non-fund based working capital	120.0	120.0	[ICRA]A1; Reaffirmed
Total	593.50	893.50	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Pacific Development Corporation Limited (PDCL) factors in the continued healthy occupancy levels across its malls along with low leverage levels and healthy debt coverage metrics which are expected to be sustained over the medium term. The ratings further factors in the expected improvement in the PDCL's rental income and Net Operating Income¹ (NOI), backed by the commencement of its two new malls in Dehradun (July 2024) and Faridabad (April 2025). The consolidated leasable area for the retail portion has increased to 2.89 million square feet (msf) as of April 2025 from 2.1 msf as of March 2024. The rental income is expected to improve by around 8-10% in FY2026 and further by around 12-15% in FY2027 while NOI is estimated to grow by around 24-26% in FY2026 and by around 8-10% in FY2027 supported by the commencement of its new mall in Jaipur (expected COD January 2027) along with stabilization of its recently completed malls. The consolidated occupancy for its malls remained healthy at 93% as of April 2025 (99% as of February 2024). PDCL's debt coverage indicators remained strong marked by 5-year average DSCR of around 4.8-5.0 times during FY2026-FY2030. Further, gross debt²/NOI is estimated to remain comfortable in the range of 5.4-5.6 times as of March 2026 (net of lease liabilities, estimated in the range of 1.7-1.9 times as of March 2026) and is expected to be in the range of around 4.8-5.0 times as of March 2027. The rating further draw comfort from the favourable location of the company's key retail properties, leading to continued high occupancy rates, with a diversified and reputed tenant base across retail properties. The rating continues to derive comfort from the PDCL's position as one of the established players in real estate market in National Capital Region (NCR)³ and Dehradun with a strong brand recall.

The ratings are, however, constrained by PDCL's exposure to geographical concentration risks, with over 70% of the leasable area in the NCR. High dependence on a single region exposes the company to any adverse change in demand-supply situation and an event risk. Nevertheless, dependence on the NCR market is expected to reduce once the new mall in Jaipur (expected by FY2027) becomes operational. The company is further invest and construct new malls in different geographies. However, the extent of scale up in the new geography and their contribution to the consolidated income will remain a key monitorable. The rating further considers the execution and market risk for its under-construction mall in Jaipur along with moderate market risk for its recently completed projects. The under-construction mall has leasable area of around 1.6 msf with 15% of the cost yet to be incurred as of September 2025. The pending cost is expected to be largely met through its internal accruals. The ratings factor in the vulnerability of the portfolio to lease expiry and market risks. The lease expiry risk is partially mitigated by reputed tenants and favourable location of the assets in prime areas in the respective micro-markets. The ratings consider that

¹ Defined as lease rentals income less property tax, insurance and any other direct expenses associated with the property.

² Gross debt includes lease liabilities towards leased assets as per IND AS 116

³ NCR includes Delhi, Gurugram, Noida, Greater Noida, Faridabad and Ghaziabad.

most of the current operational malls are on a leased land from the Delhi Metro Rail Corporation Limited (DMRC), which entail significant annual lease payments. Further, the debt coverage metrics are exposed to interest rate risk.

The Stable outlook on the long-term rating reflects ICRA's opinion that the malls will sustain healthy occupancy levels along with improvement in its rental income while maintaining low leverage and strong debt coverage metrics.

Key rating drivers and their description

Credit strengths

Favourable location of assets – PDCL has eight operational malls (six in NCR and two in Dehradun) and a residential project in Dehradun. Most of its properties are well located and are well maintained, which enhances their marketability and has attracted reputed tenants from diverse categories. This has aided the company to command competitive rentals and maintain healthy footfalls across its malls.

Expected improvement in rental collections and strong debt protection metrics – The consolidated leasable area for the retail portion has increased to 2.89 million square feet (msf) as of March 2025 from 2.1 msf as of March 2024. The rental income is expected to improve by around 8-10% in FY2026 and further by around 12-15% in FY2027 while NOI is estimated to grow by around 24-26% in FY2026 and by around 8-10% in FY2027 supported by the commencement of its new mall in Jaipur along with stabilization of its recently completed malls. The consolidated occupancy for its malls remained healthy at 93% as of March 2025 (99% as of February 2024). PDCL's debt coverage indicators remained strong marked by 5-year average DSCR of around 4.8-5.0 times during FY2026-FY2030. Further, gross debt/NOI is estimated to remain comfortable in the range of 5.4-5.6 times as of March 2026 (net of lease liabilities, estimated in the range of 1.7-1.9 times as of March 2026) and is expected to be in the range of around 4.8-5.0 times as of March 2027.

Long and established track record of promoters in real estate market – PDCL is an established player in the real estate sector in NCR and Dehradun (Uttarakhand). The company has developed multiple projects in the residential, commercial, retail and hospitality segments across diverse geographies, reflecting positively on its execution and marketing capabilities.

Credit challenges

Exposure to execution and market risks for under construction assets – The company is exposed to execution and market risk for its under-construction mall in Jaipur along with the market risk for its recently completed projects. The under-construction mall has leasable area of around 1.6 msf with 15% of the cost yet to be incurred as of September 2025. The pending cost is expected to be largely met through its internal accruals. The ratings factor in the vulnerability of the portfolio to lease expiry and market risks. The lease expiry risk is partially mitigated by reputed tenants and favourable location of the assets in prime areas in the respective micro-markets. The ratings consider that most of the current operational malls are on a leased land from the Delhi Metro Rail Corporation Limited (DMRC), which entail significant annual lease payments.

Geographically concentrated operations – PDCL is exposed to geographical concentration risks, with over 70% of the leasable area in the NCR. High dependence on a single location exposes the company to any adverse change in demand-supply situation and an event risk. Nevertheless, dependence on the NCR market is expected to reduce once the new mall in Jaipur (expected by FY2027) becomes operational. However, the extent of scale up in the new geography and their contribution to the consolidated income will remain a key monitorable. The company is further planning to start new projects in different geographies.

Vulnerability of commercial real estate to cyclicalities – PDCL's portfolio is exposed to the cyclicalities in the sector and vulnerability to exogenous shocks, which could impact its cash flows. Further, the debt coverage metrics are exposed to material changes in occupancy or interest rate risk. Moreover, most of the current operational malls are on leased land from the DMRC, which entails significant annual lease payments.

Liquidity position: Adequate

The liquidity position remains adequate, with healthy cash flows from operational assets expected to cover its debt obligations (~Rs. 28 crore in FY2026 and capex requirements' pending cost of ~Rs. 500 crores for under-construction projects till FY2027). Further, it has an average cushion of Rs. 30 crores in the working capital bank limits during past twelve months ending March 2025. PDCL, on standalone basis, had free cash and bank balance of ~Rs. 33.3 crore as on March 31, 2025.

Rating sensitivities

Positive factors – PDCL's ratings could be upgraded if it is able to successfully ramp-up its scale of operations, supported by healthy leasing as well as commencement of rental income at adequate rates from its upcoming mall at Jaipur, resulting in improvement in leverage metrics and liquidity position while maintaining healthy coverage metrics, on a sustained basis.

Negative factors – Pressure on the ratings can arise in case of a delay in the ramp-up of the upcoming malls which results in pressure on revenues and earnings, or higher-than-expected increase in debt levels weakens the liquidity, leverage and coverage metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Residential/Retail/Commercial Realty – Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of PDCL. This includes its subsidiaries and associates as listed under Annexure II.

About the company

Pacific Development Corporation Ltd (PDCL), incorporated in 1996, is involved in real estate development. The company is promoted by Mr. S.K. Bansal and is currently being managed by him and his two sons – Mr Abhishek Bansal and Mr. Saket Bansal. The current operational retail portfolio comprises of malls at Ghaziabad, Tagore Garden (West Delhi), Dwarka (Delhi), Netaji Subhash Place (North West Delhi), Jasola (South Delhi) and two malls each in Dehradun and Faridabad with total leasable area of around 2.9 msf with occupancy of around 93% as of March 2025. It also has around 1.6 msf of under-development mall in Jaipur as on same date. In addition, PDCL operates one hotel-cum-business park in Ghaziabad and also has one completed residential project in Dehradun, Pacific Premier with saleable area of 0.2 msf. The company also operates one 49 key hotel under the brand name of Lemon Tree in Dehradun and also has one hotel under construction in Dehradun which is expected to start in H2FY2026.

Key financial indicators (audited)

PDCL Consolidated	FY2023	FY2024
Operating income	695.9	589.1
PAT	94.0	59.6
OPBDIT/OI	47.7%	58.0%
PAT/OI	13.5%	10.1%
Total outside liabilities/Tangible net worth (times)	8.3	7.0
Total debt/OPBDIT (times)	7.7	7.4
Interest coverage (times)	2.2	1.7

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					
Instrument	Type	Amount rated (Rs. crore)	September 25, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loan	Long Term	713.5	[ICRA] A+ (Stable)	June 11, 2024	[ICRA] A+ (Stable)	Aug 29, 2023	[ICRA] A+ (Stable)	Aug 30, 2022	[ICRA] A (Positive)
				June 25, 2024	[ICRA] A+ (Stable)	-	-	-	-
Fund-based – Working capital limits	Long Term	60.0	[ICRA] A+ (Stable)	June 11, 2024	[ICRA] A+ (Stable)	Aug 29, 2023	[ICRA] A+ (Stable)	Aug 30, 2022	[ICRA] A (Positive)
				June 25, 2024	[ICRA] A+ (Stable)	-	-	-	-
Non-fund based working capital	Short Term	120.0	[ICRA] A1	June 11, 2024	[ICRA] A1	Aug 29, 2023	[ICRA] A1	Aug 30, 2022	[ICRA] A1
				June 25, 2024	[ICRA] A1	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term Fund-based – Term Loan	Simple
Long Term Fund-based – Working capital	Simple
Short-term Non-fund based working capital	Very 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	Fund-based – Term Loan	January 2023	8.0%	FY2037	713.5	[ICRA] A+ (Stable)
NA	Fund-based Working capital	July 2022	-	-	60.0	[ICRA] A+ (Stable)
NA	Non-fund based Working capital	April 2021	-	-	120.0	[ICRA] A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Pacific Development Corporation Limited	Parent company	Full Consolidation
Pacific Retail Centres (India) Private Limited	100.0%	Full Consolidation
Nirbhay Realtors Private Limited	100.0%	Full Consolidation
Hardwin Buildcon Private Limited	100.0%	Full Consolidation
Damyanti Agro Foods Private Limited	100.0%	Full Consolidation
Doon Containers Private Limited	100.0%	Full Consolidation
Nainital Technobuild Private Limited	100.0%	Full Consolidation
Pickup Tradelink Private Limited	53.4%	Full Consolidation
Pacific Development Retail Private Limited	100.0%	Full Consolidation
Ricker Estates Private Limited	100.0%	Full Consolidation

Source: Annual report; ICRA Research

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