October 09, 2025

MAGIC INDIA HITECH PROJECTS PRIVATE LIMITED: [ICRA]B (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	[ICRA]B (Stable); assigned
Total	-	

**Instrument details are provided in Annexure I*

Rationale

The assigned rating for Magic India Hitech Projects Private Limited (MIHPPL) factors in the promoters' extensive experience of over 15 years in the real estate sector, primarily in acquisitions and sale of land parcels in West Uttar Pradesh (UP) and the Delhi NCR region. The assigned rating also considers the favourable location of the company's ongoing projects, situated near Jewar Airport, near Greater Noida and Shakumbhari Temple, Saharanpur, which benefit from good intercity connectivity and proximity to commercial establishments, which in turn support saleability of the ongoing projects. Further, the rating derives comfort from the company's healthy inventory book, comprising approximately 39,500 square yards of unsold land as of August 2025.

However, the rating remains constrained by the small scale of operations, limiting operational and financial flexibility. The rating is further impacted by market and execution risks associated with current and upcoming projects amid about 55% of land parcel that are unsold as of August 2025. The company faces high geographical concentration risk, with operations restricted to West UP and Delhi NCR. Additionally, the cyclical nature of the real estate sector and its dependence on macroeconomic factors expose the firm's sales to potential downturn in demand.

The Stable outlook reflects ICRA's opinion that MIHPPL will be able to improve its collections from the sale of its existing plots and upcoming launches, owing to its established position in its operational real estate market.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in real estate industry – The promoters have over 15 years of experience in the real estate industry, with a focus on the purchase and sale of land parcels, primarily in West UP and the Delhi NCR region. Their long presence and domain expertise have supported the company's operations.

Favourable location of projects – MIHPPL is currently executing four projects, all of which are in favourable advantageous areas. These include sites near the upcoming Jewar Airport and Shakumbhari Temple in Saharanpur, which benefit from good intercity connectivity and proximity to commercial and religious hubs. These locational advantages are expected to support the saleability of the ongoing projects.

Healthy inventory book - MIHPPL has a healthy inventory of over 39,500 square yards of land available for sale to residential and commercial customers as of August 2025. This includes approximately 8,000 square yards from a newly acquired project in Saharanpur during FY2026. The sizeable land bank is expected to support future sales and cash flow generation over the near to medium term.

Credit challenges

Small scale of operations – MIHPPL is a small-scale player in the competitive real estate industry, as reflected in its modest operating income of Rs. 4.1 crore in FY2025, on a provisional basis. However, ICRA expects the company to witness moderate revenue growth over the medium term, supported by its healthy inventory position in the form of unsold land parcels, which provide visibility for future sales.

Execution risks for ongoing and upcoming projects – MIHPPL remains exposed to execution risks associated with the development of land parcels for resale to residential and commercial customers across its ongoing and upcoming projects. Timely completion and development are critical to mobilising customer advances. Additionally, the firm faces market risks related to the sale of the balance inventory, which could be influenced by demand fluctuations and competitive pressures in the real estate sector.

Geographical and asset concentration risks and exposure to cyclicity in the real estate industry – MIHPPL faces high geographical concentration risk, with all its projects located in West UP and the Delhi NCR region. Additionally, the limited portfolio of only four projects exposes it to asset concentration risk. The real estate sector is inherently cyclical, characterised by price volatility and a fragmented market structure due to the presence of numerous regional players. Further, the sector's dependence on macroeconomic conditions heightens the company's vulnerability to potential downturns in demand.

Liquidity position: Stretched

MIHPPL's liquidity profile is stretched, with reliance on incremental sales and customer advances to fund land acquisitions and meet debt obligations, although the debt levels are limited. The company had Rs. 0.8 crore of cash and cash equivalents as on March 31, 2025.

Rating sensitivities

Positive factors – ICRA could upgrade Magic India's rating if there is sustained improvement in its scale of operations while maintaining steady earnings. Additionally, the rating could be upgraded if sales and collections for their existing or upcoming projects are healthy on a sustained basis.

Negative factors – ICRA could downgrade Magic India's rating if there are subdued bookings or collections, or a significant increase in indebtedness weakens its liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

MIHPPL was incorporated in 2012 and is headquartered in Noida, Uttar Pradesh. The company focuses exclusively on buying, selling, and development of open land parcels. It has established an operational footprint across Delhi NCR, Uttarakhand and Uttar Pradesh, catering to residential, commercial, and future development land needs.

Key financial indicators (audited)

	FY2023	FY2024	FY2025*
Operating income	0.8	1.0	4.1
PAT	0.1	0.1	0.1
OPBDIT/OI	-13.6%	10.7%	4.3%
PAT/OI	12.0%	7.1%	2.9%
Total outside liabilities/Tangible net worth (times)	236.6	42.7	19.5
Total debt/OPBDIT (times)	-1.1	6.7	2.6
Interest coverage (times)	-60.9	11.6	18.0

*Source: Company, ICRA Research; *Provisional financial statement submitted by company; 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount Rated (Rs Crore)	Oct 09, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long Term	-	[ICRA]B (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**	NA	NA	NA	-	[ICRA]B (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

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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.

For more information, visit www.icra.in

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