

October 27, 2025

Ajay Enterprises Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term Loan	95.00	53.32	[ICRA] BBB+ (Stable); reaffirmed
Short term Non-fund based	10.00	10.00	[ICRA] A3+; reaffirmed
Long term – Fund based – WCTL	8.00	4.22	[ICRA] BBB+ (Stable); reaffirmed
Total	113.00	67.54	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Ajay Enterprises Private Limited (AEPL) factors in the expected growth in sales and collections for its residential projects in FY2026, along with healthy occupancy of its commercial asset, Vishal Cinemas, while maintaining a comfortable leverage. The company's collections are estimated to grow by about 7%-10% in FY2026, supported by good sales velocity in its newly launched Phase 3 of the Eros Sampooram project and adequate construction progress for its ongoing and recently launched projects. AEPL's total external debt declined to Rs. 45.4 crore as of March 2025 (PY: Rs. 100.1 crore) and is likely to remain low as of March 2026 supporting in comfortable leverage of 0.4-0.6 times as of March 2026 (PY: 0.3-0.5 times). Its cash flow adequacy ratio¹ for the ongoing residential projects remained comfortable at 61% as of August 2025. AEPL's commercial asset Vishal Cinemas started operations in March 2023 and is fully leased as on date. The rentals are around Rs. 23.3 crore in FY2025 and is expected to be in similar range for FY2026. The ratings factor in the long and established track record in real estate development with demonstrated project execution capabilities, the strength derived by the company being a part of Eros Group and the extensive experience of its promoters in the real estate industry in the National Capital Region (NCR). The ratings note the demonstrated track record of financial support from the promoters through infusion of unsecured loans when needed and fully paid-up unencumbered land bank in the Delhi and Haryana region.

The ratings are, however, constrained by the company's modest scale of operations, along with its exposure to execution and market risks associated with the ongoing projects, with majority of the total cost yet to be incurred in Eros Sampooram, Phase 3 as of August 2025, along with 16% of inventory yet to be sold in its ongoing projects. Further, AEPL has a considerable unsold inventory in its completed projects of 4.56 lsf across commercial, residential and plots exposing the company to market risk. AEPL is further exposed to geographical concentration risk, as the ongoing projects and land bank are mostly located in the Delhi NCR region, increasing the dependence on a single micromarket for sales and revenue. Moreover, being a cyclical industry, the real estate business is highly dependent on macro-economic factors, which exposes its sales to any downturn in demand and competition within the region from various other developers.

The Stable outlook reflects ICRA's expectation that the company will benefit from the adequate sales and collections from its ongoing projects as well as new launches, while maintaining low debt levels and comfortable leverage.

¹ Cashflow adequacy ratio = Total Committed receivables / (Total External debt Outstanding on ongoing residential projects + Total pending cost)

Key rating drivers and their description

Credit strengths

Estimated increase in collections in FY2026; comfortable leverage – The company's collections are estimated to grow by about 7%-10% in FY2026, supported by good sales velocity in its newly launched Phase 3 of the Eros Sampooranam project and healthy end-user demand. The company's total external debt declined to Rs. 45.4 crore as of March 2025 (PY: Rs. 100.1 crore) and is likely to remain low as of March 2026 supporting in comfortable leverage of 0.4-0.6 times as of March 2026 (PY: 0.3-0.5 times) on account of this reduction in debt and adequate cash flow from operations.

Adequate cash flow adequacy ratio – AEPL's cash flow adequacy ratio remained comfortable at 61% as of August 2025, backed by healthy sales and reduction in total external outstanding debt on the ongoing residential projects. Its commercial asset Vishal Cinemas started operations in March 2023 and is fully leased as on date and the rentals are around Rs. 23.3 crore in FY2025.

Extensive experience and demonstrated track record of support from promoters – AEPL derives strength as a part of the Eros Group. It has a long and established track record in real estate development with demonstrated project execution capabilities. The rating notes the strength derived by the company being a part of Eros Group and the extensive experience of its promoters in the real estate industry in NCR. Further, the promoters have demonstrated track record of financial support through infusion of unsecured loans.

Credit challenges

Modest scale of operations – The company's scale of operations remains modest based on their ongoing residential projects. Its profitability remains low, given the increase in the project cost, thus leading to lower profitability in the projects. In FY2025, it registered profit after tax of Rs. 7.7 crore compared to Rs. 9.5 crore in FY2024.

Exposure to execution risk for ongoing projects; market risk for unsold inventory – The company is exposed to execution and market risks associated with the ongoing projects, with majority of the total cost yet to be incurred in Eros Sampooranam Phase 3 as of August 2025, along with 16% of inventory yet to be sold in its ongoing projects. Further, AEPL has a considerable unsold inventory in its completed projects of 4.56 lsf across commercial, residential and plots exposing the company to market risk.

Exposure to cyclical in real estate business – The company is exposed to geographical concentration risk, as the ongoing projects are mostly located in Greater Noida, increasing dependence on a single micromarket for sales and revenue. 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 company's liquidity position is expected to remain adequate, supported by unencumbered cash and bank balance of Rs. 185 crore as of September 2025 (including Rs. 168 crore in FDs). Further, it has debt obligations of around Rs. 10.3 crore in FY2026 and Rs. 10 crore in FY2027, which are likely to be adequately met through the cash flow from operations.

Rating sensitivities

Positive factors – Significant and sustainable increase in scale of operations and profitability while maintaining comfortable leverage metrics would result in a rating upgrade.

Negative factors – Negative pressure on the ratings could arise in case of pressure on bookings and collections or decline in rentals from Vishal Cinemas, or significant increase in indebtedness, resulting in moderation in AEPL's leverage and coverage indicators.

Analytical approach

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

About the company

Ajay Enterprises Pvt. Ltd (AEPL) is a real estate development company with presence in the commercial and residential real estate sectors. The company has executed various real estate residential projects in the Delhi NCR region like Royal Retreat, Kenwood and Brentwood Towers in Surajkund Faridabad, Wembley Estates in Gurgaon and Eden Woods in Faridabad. It has completed commercial projects like Eros City Square in Gurgaon, Eros Metro Mall in Dwarka and Eros Corporate Tower in Manesar. At present, the company is executing a project in Greater Noida by the name Eros Sampoonam with three phases.

Key financial indicators (audited)

AEPL (Standalone)	FY2024	FY2025
Operating income	237.4	201.4
PAT	9.5	7.7
OPBDIT/OI	10.6%	11.8%
PAT/OI	4.0%	3.8%
Total outside liabilities/Tangible net worth (times)	2.7	2.8
Total debt/OPBDIT (times)	8.0	4.9
Interest coverage (times)	1.8	2.1

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						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Oct 27, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long Term	53.32	[ICRA] BBB+ (Stable)	October 14, 2024	[ICRA] BBB+ (Stable)	November 03, 2023	[ICRA] BBB+ (Stable)	October 21, 2022	[ICRA] BBB+ (Stable)
Fund-based – Cash credit	Long Term	0.0	-	-	-	November 03, 2023	[ICRA] BBB+ (Stable)	October 21, 2022	[ICRA] BBB+ (Stable)
Non-fund based limits	Short Term	10.0	[ICRA] A3+	October 14, 2024	[ICRA] A3+	November 03, 2023	[ICRA] A3+	October 21, 2022	[ICRA] A3+
Fund-based – WCTL	Long Term	4.22	[ICRA] BBB+ (Stable)	October 14, 2024	[ICRA] BBB+ (Stable)	November 03, 2023	[ICRA] BBB+ (Stable)	October 21, 2022	[ICRA] BBB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based – Term loan	Simple
Non-fund based limits	Very Simple
Fund-based – WCTL	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 2023	8.25%	Mar 2038	53.32	[ICRA]BBB+ (Stable)
NA	WCTL	November 2021	8.85%	Dec 2026	4.22	[ICRA]BBB+ (Stable)
NA	LC/BG	NA	NA	NA	10.0	[ICRA] A3+

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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