

December 30, 2025

Maza Developers Private Limited: Ratings downgraded to [ICRA]BB- (Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Lease rental discounting	31.00	31.00	[ICRA]BB- (Stable); Downgraded from [ICRA]BB (Stable)
Total	31.00	31.00	

*Instrument details are provided in Annexure I

Rationale

The rating downgrade for Maza Developers Private Limited (MDPL) factors in the sharp decline in occupancy in FY2025 and 8m FY2026 caused by the steep drop in revenue and earnings. The rating is further constrained by weak debt coverage metrics, with debt service coverage ratio (DSCR) below 0.5 times in FY2025 due to large debt repayment obligations and reduction in occupancy levels to 45% of the leasable area as of November 2025 compared to 91% as of June 2024. ICRA expects the company to bridge the interim cash flow shortfall through timely infusion of unsecured loans by the promoter, as demonstrated in the past. The rating also factors in the accentuated lease renewal risk, as the lease rental discounting (LRD) loan has been availed for a 13-year tenure, whereas the agreements with its tenants are normally for a year. The rating remains constrained by the high tenant concentration risk, with the top three tenants constituting over 84% of the leased area. Further, the absence of a debt service reserve account (DSRA) may lead to cash flow mismatches in case of delays in remittance of rentals by the lessees.

The rating, however, positively factors in the extensive experience of MDPL's promoters, the company's association with the established Mumbai-based Kukreja Construction Company, which has a track record of over four decades in the real estate business, and the attractive location of the property in Mumbai. ICRA continues to draw comfort from the reputed lessee profile, such as L&T and Megha Engineering, which reduces counterparty risks.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will be able to maintain current occupancy levels and successfully implement rental escalations, supported by attractive location of the property. Also, the promoters will continue to support it in case of any shortfall that may arise in future. Further, the outlook underlines ICRA's expectation that the entity's incremental capital expenditure, if any, will be funded in a manner that it is able to durably maintain its debt protection metrics.

Key rating drivers and their description

Credit strengths

Attractive location of the property and established track record of promoters – The property, Oliva Apartments, is on Sion Trombay Road in the Deonar suburb of Mumbai. The property is located around 15 km from the airport and 3-4 km from the Chembur railway station. The area is an upcoming residential and commercial hub in the Mumbai suburbs. The company is a part of the Mumbai-based Kukreja Construction Company, a prominent real estate developer with business interests across residential, commercial, industrial and hospitality segments. The key promoters, Mr. Sunil Kukreja and Mr. Mohan Kukreja,

have an established track record of over four decades, during which the Group delivered over 7.75 million square feet (sq. ft.) of residential, commercial and industrial real estate in Mumbai and Navi Mumbai.

Proven track record of promoter funding support – Funding support from the promoters is essential for MDPL to meet its debt obligations and other operational requirements, as the entity had DSCR of less than 1 times in FY2025 and is projected to remain so in the current year as well. The promoters have provided funding support in the past, and in FY2025, loans and advances given to related entities were called back to meet the debt obligations in a timely manner. The shortfall of funds is expected to met form of unsecured loans or the recovery from loans and advances to group companies.

Credit challenges

Exposure to lease renewal and vacancy risks due to tenure mismatch between lease agreements and LRD loan – The higher loan tenure of 13 years compared to the rental tenure of typically one year exposes the company to lease renewal risks. Around 40% of the leases expired in FY2025, and it is yet to find new tenants. Any further delays in the improvement of occupancy may cause deterioration in MDPL's operational profile.

Weak debt coverage metrics – The DSCR is projected to be below 1 times in FY2026 due to high debt repayment obligations and reduction in occupancy levels to 45% of the leasable area as of November 2025 compared to 91% as of June 2024. However, the track record of funding support provided by the promoters in the form of unsecured loans as and when there is a cash flow shortfall, provides some comfort.

High tenant concentration risk, delays by lessees in remitting rentals could impact timely debt servicing – The top three tenants, L&T, Megha Engineering & Infrastructures Limited and KEC International Pvt Ltd., constitute more than 88% of the total leased area and contribute over 84% to the total revenues currently, reflecting a high tenant concentration risk. The company does not maintain any dedicated DSRA account with the bank; hence, delays in remitting rentals by the lessees, if any, may impact its timely debt servicing.

Liquidity position: Stretched

MDPL's liquidity is stretched. It has minimal free cash and bank balance as on March 31, 2025. It has an outstanding LRD loan of Rs. 27.2 crore as on March 31, 2025, with annual debt repayment (principal + interest) estimated at Rs. 7.5 crore in FY2026 against the projected rental income of around Rs. 3.3 crore in FY2026. ICRA expects the company to bridge the interim cash flow shortfall through infusion of unsecured loans by the promoters in a timely manner, as demonstrated in the past.

Rating sensitivities

Positive factors – The rating may be upgraded in case of steady rental receipts or re-leasing of the units which are currently not yielding rent, leading to an improvement in DSCR above 1.1 times on a sustained basis.

Negative factors – Downward pressure on the rating could emerge if the debt coverage indicators weaken further due to lower occupancy or non-renewal of rental agreements, or in case of cash flow mismatches due to delays in rent receipt from the lessees.

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

Established in 2011, MDPL is involved in residential real estate development in Mumbai. It has constructed a residential complex, Oliva Apartments, at Deonar, a suburb of Mumbai. The complex consists of ground-plus-12 storeys and basement parking, with a total of 72 apartment units ranging from 785–1,080 sq. ft. The project construction started in 2012 and was completed in 2015, and the property had mainly been rented out to the RBI & L&T STEC JV over the past years. The complex has a total carpet area of 60,347 sq. ft. The amenities include a children’s play area, a landscaped garden, club house, swimming pool, property staff, 24/7 power backup and car parking.

The company is a part of the Mumbai-based Kukreja Construction Company, a prominent real estate developer, which has developed and delivered over 7.75 million sq. ft. of residential, commercial and industrial real estate in Mumbai and Navi Mumbai over the last four decades.

Key financial indicators (audited)

Maza Developers Private Limited (standalone)	FY2024	FY2025*
Operating income	5.7	3.2
PAT	1.5	-1.9
OPBDIT/OI	84.8%	63.8%
PAT/OI	26.8%	-59.6%
Total outside liabilities/Tangible net worth (times)	3.1	3.4
Total debt/OPBDIT (times)	9.8	22.2
Interest coverage (times)	1.5	0.5

Source: Company, ICRA Research; * Provisional numbers; 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)	Dec 30, 2025	Date	Rating	Date	Rating	Date	Rating
Lease rental discounting	Long term	31.00	[ICRA]BB-(Stable)	Sep 10, 2024	[ICRA]BB (Stable)	Jul 25, 2023	[ICRA]BB (Stable)	Apr 29, 2022	[ICRA]BB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Lease rental discounting	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	Lease rental discounting	Jan 2022	10.7%	March 2025	31.00	[ICRA]BB- (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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545368

jitinm@icraindia.com

Uday Kumar

+91 124 4545867

uday.kumar@icraindia.com

Vishal Balabhadruni

+91 40 6939 6417

vishal.balabhadruni@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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