

December 31, 2025

Prestige Projects Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Term loan	1,000.00	1,000.00	[ICRA]A (Stable); reaffirmed
Total	1,000.00	1,000.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Prestige Projects Private Limited (PPPL) factors in the estimated improvement in collections and cash flow from operations (CFO) in FY2026 along with comfortable leverage. In Q1 FY2026, the company's area sold and collections stood at 5.5 million square feet (msf) (FY2025 – 1.49 msf) and Rs. 1539.0 crore, respectively, driven by strong pre-sales in the recently launched Prestige City, Indirapuram project. ICRA expects its collections to improve by 58-62% to Rs. 4900.0 – 5000.0 crore in FY2026 (PY: Rs. 3093.9 crore) backed by the sizeable pipeline, healthy sales and construction progress in the ongoing projects, thereby translating to an improvement in CFO levels. Consequently, the leverage is estimated to remain comfortable, with total debt/CFO of 1.9-2.1x as of March 2026 and with debt levels anticipated to continue being largely range-bound as of March 2026 (PY: Rs. 2131.1 crore). The rating also factors in the comfortable cash flow adequacy ratio (committed receivables/(pending construction cost + debt outstanding) of 85% as on June 2025, reflecting the robust pre-sales of the ongoing projects. The rating also considers PPPL's strong parentage, as a subsidiary¹ of Prestige Estates Projects Limited (PEPL, rated [ICRA]A+ (Stable)/[ICRA]A1), which is the flagship company of the Prestige Group. With over 39 years of experience, the Group is one of the leading real estate developers in South India. It has completed 310 real estate projects, with a developable area of around 200 msf as on September 30, 2025. ICRA expects the parent to provide timely financial support to PPPL for funding shortfall if any, given its strategic importance and PEPL's reputation sensitivity to default.

The rating, is however, constrained by the company's exposure to execution and market risks arising from its ongoing projects and sizeable launch pipeline. It is yet to incur around 75% of the total project cost as on June 30, 2025 towards its ongoing residential projects, exposing it to execution risk. It is also exposed to execution risk and market risk in the upcoming residential projects of ~8.0 msf in the near term and upcoming retail projects with leasable area of around 1.25 msf (PPPL share) and hospitality project of 116 keys (PPPL share) in the medium term. Nevertheless, the Prestige Group's strong track record in the real estate and hospitality industries mitigates these risks to an extent. The rating is also exposed to the cyclical risk inherent in the real estate business.

The Stable outlook on the rating reflects ICRA's opinion that the company will continue to maintain healthy sales and collections, leading to improvement in CFO, while maintaining comfortable leverage and adequate liquidity position.

¹ As on March 31, 2025, PPPL is held 76% by PEPL and remaining by the promoters of Prestige Group.

Key rating drivers and their description

Credit strengths

Significant increase estimated in collections; comfortable leverage – Driven by robust pre-sales in the recently launched Prestige City, Indirapuram, the company's area sold stood and collections stood strong at 5.5 msf (FY2025 - 1.49 msf) and Rs. 1539.0 crore, respectively. Overall, it is expected to achieve collections of Rs. 4900.0 – 5000.0 crore in FY2026 (58-62% year-over-year (YoY) growth), backed by the sizeable pipeline, healthy sales and construction progress in the ongoing projects, thereby translating to an improvement in CFO levels. Consequently, the leverage is estimated to remain comfortable, with total debt/CFO of 1.9-2.1x as of March 2026 and with the debt levels anticipated to continue being largely range-bound as of March 2026 (PY: Rs. 2131.1 crore).

Strong pre-sales in ongoing projects lead to comfortable cash flow adequacy cover – The company has witnessed strong pre-sales in the ongoing projects including the recently launched Prestige City, Indirapuram, wherein it has sold around 86% of the ongoing projects of 26.3 msf as on June 30, 2025. Consequently, the cash flow adequacy ratio (committed receivables/(pending construction cost + debt outstanding) stood comfortably at 85% as of June 2025.

Strong parentage with established track record in real estate business – PPPL is a subsidiary of PEPL (rated [ICRA]A+ (Stable)/[ICRA]A1), which is a part of the Prestige Group. With over 39 years of experience, the Group is one of the leading real estate developers in South India. It has completed 310 real estate projects, with a developable area of around 200 msf as on September 30, 2025. It has developed a diversified portfolio of real estate projects focussing on residential, commercial, hospitality and retail segments. Besides, it offers a variety of services, such as property management services, subleasing and fit-out services. It has 65 ongoing projects across segments, with a total developable area of around 126 msf as on September 30, 2025. ICRA expects the parent to provide timely financial support to PPPL for funding shortfall, if any, given its strategic importance and PEPL's reputation sensitivity to default.

Credit challenges

Exposure to execution and market risks – As on June 30, 2025, the company is yet to incur around 75% of the total project cost for its ongoing residential projects, exposing it to execution risk. It also faces execution and market risks in its upcoming residential projects aggregating ~8.0 msf, given the sizeable inventory expected to be released in the near term. Furthermore, it has upcoming retail projects with a leasable area of around 1.25 msf (PPPL share) and a hospitality project comprising 116 keys (PPPL share) in the medium term, which adds to execution and market risks. Nevertheless, the Prestige Group's established track record in the real estate and hospitality sectors provides some comfort and mitigates these risks to an extent.

Cyclicality risk inherent in real estate sector – The company is vulnerable to the inherent risks in the real estate sector. Being a cyclical industry, the sector is considerably dependent on macroeconomic factors, which exposes its sales to any downturn in demand. PPPL's dependence on the Bengaluru real estate market is very high, which accounts for ~60% of the total saleable area in its ongoing projects.

Liquidity position: Adequate

The company's liquidity remains adequate with unencumbered cash and bank balance of Rs. 362.5 crore as on September 30, 2025. Its capital expenditure of Rs. 160-170.0 crore in FY2026 and Rs. 250-260.0 crore in FY2027 towards the retail and hospitality segments will be met through a mix of CFO and debt, if required. PPPL's projected CFO is likely to remain sufficient to meet its expected debt-servicing obligations in FY2026 and FY2027.

Rating sensitivities

Positive factors – The rating may be upgraded, if significant growth in sales and collections in PPPL’s project portfolio leads to an improvement in cash flow from operations, lower reliance on debt funding and improvement in leverage metrics. The rating might be upgraded if there is an improvement in the credit profile of PEPL.

Negative factors – The rating might be downgraded, if weak sales in the upcoming projects or subdued collections in ongoing or the upcoming projects, results in weakening of project cash flows and debt coverage metrics. The rating might be downgraded in case of weakening of linkages with PEPL, or if there is a deterioration in the credit profile of PEPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Parent: Prestige Estates Projects Limited (PEPL) ICRA expects the parent, PEPL, to provide timely financial support to PPPL for funding any shortfall, given their close financial linkages, its strategic importance for the parent and the parent's reputation sensitivity to default.
Consolidation/Standalone	Standalone

About the company

PPPL was incorporated in 2008 and became a subsidiary of Prestige Estates Projects Limited (PEPL) post the exit of the joint venture (JV) partner, HDFC Capital Affordable Real Estate Fund in August 2021. As on June 30, 2025, the company is developing residential projects in Bengaluru, Hyderabad and the National Capital Region (NCR) with a cumulative saleable area of 26.3 msf. Furthermore, it also has upcoming plans of constructing retail mall projects in Prestige City (Indirapuram, NCR), Prestige Park Grove (Bengaluru) and Budvel (Hyderabad) totalling 1.25 msf (Prestige share) and a hospitality project of 152 keys in Bengaluru in the medium-to-long term.

Key financial indicators (audited)

PPPL (standalone)	FY2024	FY2025	H1 FY2026*
Operating income	991.6	142.1	1056.2
PAT	165.1	19.8	136.8
OPBDIT/OI	33.2%	82.5%	19.7%
PAT/OI	16.7%	13.9%	13.0%
Total outside liabilities/Tangible net worth (times)	53.3	59.6	41.3
Total debt/OPBDIT (times)	8.8	18.2	3.7
Interest coverage (times)	1.7	0.4	1.6

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							
Instrument	Type	Amount rated (Rs. crore)	Dec 31, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-convertible debentures (NCDs)	Long term	0.00	-	Sep 08, 2025	[ICRA]A (Stable); Withdrawn	Sep 11, 2024	[ICRA]A (Stable)	Mar 05, 2024	[ICRA]A (Stable)	-	-
			-	-	-	-	-	Sep 12, 2023	Provisional [ICRA]A+(CE) (Stable)	-	-
Proposed NCD	Long term	0.00	-	Sep 08, 2025	[ICRA]A (Stable); Withdrawn	Sep 11, 2024	[ICRA]A (Stable)	Mar 05, 2024	[ICRA]A (Stable)	-	-
			-	-	-	-	-	Sep 12, 2023	Provisional [ICRA]A+(CE) (Stable)	-	-
NCD	Long term	0.00	-	Sep 08, 2025	[ICRA]A (Stable); Withdrawn	Sep 11, 2024	[ICRA]A (Stable)	Mar 05, 2024	[ICRA]A (Stable)	July 11, 2022	[ICRA]A (Stable)
			-	-	-	-	-	Sep 12, 2023	[ICRA]A (Stable)	-	-
			-	-	-	-	-	July 25, 2023	[ICRA]A (Stable)	-	-
Term loan	Long term	1000.00	[ICRA]A (Stable)	Sep 08, 2025	[ICRA]A (Stable); Withdrawn	Sep 11, 2024	[ICRA]A (Stable)	Mar 05, 2024	[ICRA]A (Stable)	-	-
			-	-	-	-	-	Sep 12, 2023	[ICRA]A (Stable)	-	-
			-	-	-	-	-	July 25, 2023	[ICRA]A (Stable)	-	-
NCD	Long term	0.00	-	-	-	-	-	July 25, 2023	[ICRA]A+(CE) (Stable); Withdrawn	July 11, 2022	[ICRA]A+(CE) (Stable)
NCD	Long term	0.00	-	-	-	-	-	July 25, 2023	[ICRA]A+(CE) (Stable); Withdrawn	July 11, 2022	[ICRA]A+(CE) (Stable)

Complexity level of the rated instruments

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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	Dec 2022	NA	Aug 2027	1000.00	[ICRA]A (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

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Pulkit K Varshney

+91 80 4332 6427

pulkit.varshney@icraindia.com

Vishal R

+91 44 4596 4300

vishal.r@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

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.

For more information, visit www.icra.in

ICRA Limited



Registered Office

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

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.