

March 27, 2026

Prestige Beta 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 Rupee term Loan	1300.0	1300.0	[ICRA]BBB+ (Stable); reaffirmed
Long-term –Interchangeable (sub-limit of fund-based)	(130.0)	(130.0)	[ICRA]BBB+ (Stable); reaffirmed
Total	1300.0	1300.0	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation for Prestige Beta Projects Private Limited (PBPPL) factors in the completion of Phase 1A (with leasable area of 2.24 msf) of its commercial office project along with healthy leasing traction, which provides strong cash flow visibility. The rating also factors in the strong sponsors, wherein 50% stake is held by BREP Asia II Indian Holding Co VII (NQ) Pte. Ltd (Blackstone Group) and 40% by the Prestige Group (through Prestige Estates Projects Limited (rated [ICRA]A+ (Stable))). The sponsors' have a strong track record of operating and leasing commercial real estate assets in India. The project, with a total leasable area of 2.24 million square feet (msf), is located at Bellandur near the Outer Ring Road (ORR) in Bengaluru and benefits from good connectivity and well-developed socio-civic infrastructure. The company has completed phase 1A of the project in January 2026 (ahead of its DCCO of March 2026) and has signed LOI of 79.6% of the leasable area with rental commencement from July 2026 in a phased manner.

The rating remains constrained by execution risk associated with Phase 1B (0.68 msf) of the project, as construction commenced in December 2025 and the entire construction cost is yet to be incurred as on December 31, 2025. The company is also exposed to moderate tenant concentration risk, with a limited number of tenants accounting for a significant share of the leasable area in Phase 1A, which could adversely impact cash flows in case of any sustained vacancy. However, these risks are partially mitigated by the strong execution and leasing track record of the Prestige Group along with presence of long-term lease agreements with contractual lock-in periods. Further, the construction finance (CF) loan carries a bullet repayment obligation due in April 2027; however, leasing tie-ups in place provide comfort with respect to debt refinancing. Post the refinancing of the construction finance loan with lease rental discounting (LRD) debt with a top-up to the extent of Phase 1B construction funding requirement, the leverage is likely to remain elevated as of March 2027 and March 2028. However, the debt coverage metrics are estimated to be adequate. Further, PBPPL is exposed to high geographical and asset concentration risks inherent in a single-project portfolio.

The Stable outlook reflects ICRA's expectations of the company sustaining healthy occupancy levels, supported by its favourable location, leading to expected improvement in the leverage and liquidity position.

Key rating drivers and their description

Credit strengths

Strong sponsors with established track record – PBPPL is a joint venture (JV) of the Blackstone Group (50%), the Prestige Group (40%) and the Sterling Group (10%). The Blackstone Group is one of the leading owners of office spaces in India, with a large portfolio of office properties across Bengaluru, Pune, Hyderabad, Mumbai, the National Capital Region (NCR) and Chennai. It has a strong track record in the commercial real estate business in India. As on December 31, 2025, the Prestige Group has completed and delivered a total area of 206 msf of space, comprising over 313 residential, commercial and hospitality projects. It has demonstrated strong execution capabilities and leasing track record in the commercial real estate sector.

Favourable location of project and healthy leasing tie-up – The project, Prestige Lakeshore Drive, located at Bellandur, Bengaluru, has a favourable location with proximity to the Outer Ring Road, a key commercial corridor. The project benefits from good connectivity to major residential catchments such as Whitefield, Kadubeesanhalli, Brookfield and Sarjapur Road, all within a 10–30-minute driving distance, which supports tenant accessibility and enhances marketability. Further, the company has entered letters of intent for ~61% of the total leasable area across Phases 1A and 1B, providing visibility on demand.

Credit challenges

Exposure to execution risks in Phase 1B – Phase 1B of the project entails development of ~0.68 msf of leasable office space, with construction having commenced in December 2025. The company is exposed to execution risk, as the entire construction cost is yet to be incurred. Nevertheless, the risk is mitigated by the strong execution track record of the sponsor in timely completion of projects.

Exposure to refinancing risks – The company is exposed to refinancing risk owing to the bullet repayment due in April 2027 for the CF loan availed for Phase 1A (with leasable area of 2.24 msf) of the project; however, the risk is partially mitigated by the healthy leasing level of 79.6% in Phase 1A, which provides cash flow visibility with rental commencement from July 2026 in a phased manner and offers comfort for timely refinancing. Post the refinancing of the construction finance loan with lease rental discounting (LRD) debt with a top-up to the extent of Phase 1B construction funding requirement, the leverage is likely to remain elevated as of March 2027 and March 2028, however, the debt coverage metrics are estimated to be adequate.

Exposure to geographical, asset and moderate tenant concentration risks – The company is exposed to high geographical and asset concentration risks as a sole commercial project is being developed in Bellandur, Bengaluru. Moreover, the asset is exposed to moderate tenant concentration risk, with the top three tenants accounting for 79.6% of the total leasable area in Phase 1A, which could adversely impact PBPPL's debt protection metrics in case of any sustained vacancy in the space occupied by these tenants. However, this risk is partially mitigated by the presence of long-term lease agreements with contractual lock-in periods and defined escalation clauses, which provide stability to cash flows and enhance the visibility of rental income over the medium term.

Liquidity position: Adequate

PBPPL's liquidity profile is Adequate. As on December 31, 2025, the balance project cost for Phase 1A, estimated at around Rs. 180 crore, is expected to be met through the undrawn portion of the CF loan, while the pending cost for Phase 1B of around Rs. 310 crore is proposed to be funded by LRD debt proceeds and/or promoter contribution. While the CF loan availed for Phase 1A entails a bullet repayment due in April 2027, the presence of adequate lease tie-ups is expected to support refinancing of the exposure through an LRD facility in Q1 FY2027.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case if the company is able to sustain healthy occupancy levels and mitigate the refinancing risk leading to adequate debt protection metrics. Specific credit metrics that could lead to a rating upgrade include five-year average DSCR of more than 1.2 times on a sustained basis.

Negative factors – The rating may be downgraded if there if there is any material decline in the occupancy levels of phase 1A or a significant rise in indebtedness resulting in weakening of coverage and leverage metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Realty - Lease Rental Discounting (LRD) Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

Prestige Beta Projects Private Limited (PBPPL) was incorporated on December 15, 2021. The company is 50% owned by the Blackstone Group, 40% by the Prestige Group and 10% by the Sterling Group. PBPPL is developing a commercial real estate project called Prestige Lakeshore Drive (Project) in Bellandur, Bengaluru. Phase I comprises five buildings developed in two sub-phases. Phase 1A, completed in January 2026, includes four buildings with a leasable area of 2.24 msf. Phase 1B comprises one building of 0.68 msf, with construction commencing in December 2025.

Key financial indicators (audited) – Not applicable for a project company

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					
	Type	Amount rated (Rs crore)	Mar 27, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long-term	1,300.00	[ICRA]BBB+ (Stable)	Dec 19, 2024	[ICRA]BBB+ (Stable)	-	-	-	-
Capex letter of credit	Long-term	(130.0)	[ICRA]BBB+ (Stable)	Dec 19, 2024	[ICRA]BBB+ (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund-based-Term loan	Simple
Long-term –Interchangeable (sub-limit of fund-based)	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/sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based-Term loan	FY2025	9.75%	FY2028	1,300.0	[ICRA]BBB+ (Stable)
NA	Capex letter of credit	-	-	-	(130.0)	[ICRA]BBB+ (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

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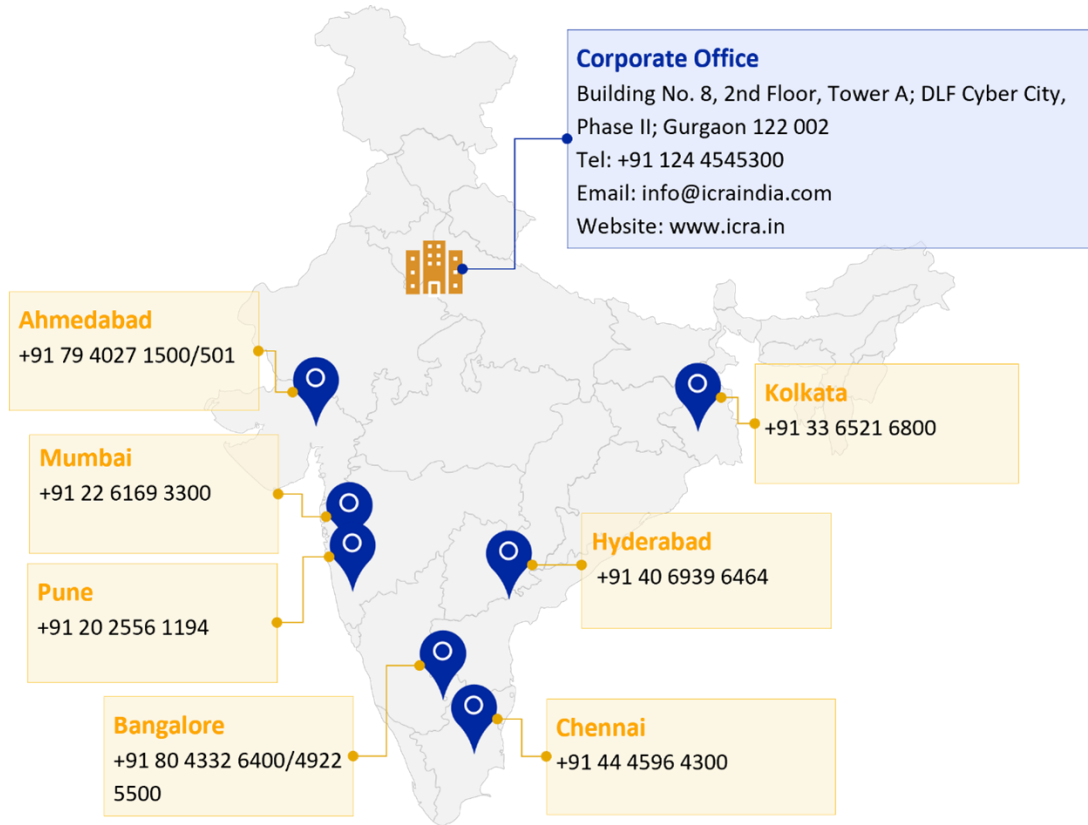
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