

April 7, 2026

Prestige Garden Resorts 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	400.00	225.00	[ICRA]A+ (CE) (Stable); reaffirmed
Total	400.00	225.00	

Rating without explicit credit enhancement

[ICRA]BBB+

*Instrument details are provided in Annexure I

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

The rating reaffirmation of the long-term fund-based limits of Prestige Garden Resorts Private Limited (PGRPL) at [ICRA]A+ (CE) factors in the strength of an unconditional and irrevocable corporate guarantee extended by Prestige Estates Projects Limited (PEPL), rated at [ICRA]A+(Stable)/[ICRA]A1, the ultimate holding company of PGRPL. The rating considers the Prestige Group's established track record in the real estate sector and its strong project execution capabilities. The Stable outlook on the rating reflects ICRA's outlook on the rating of the guarantor, PEPL.

PGRPL is developing a retail mall, 'Forum 13-degree North' with a total leasable area of 0.72 million square feet (msf), in Yerthiganahalli, North Bengaluru. The rating factors in the favourable location of the project, supported by its proximity to the international airport and key office hubs in Shettigere, Doddajala, which enhances the marketability and support healthy footfalls, along with adequate pre-leasing tie-ups till project completion. Pursuant to an asset transfer agreement dated January 1, 2025, the under-construction hotel project 'W Bengaluru – Forum North', as well as its liabilities, was transferred from PGRPL to its Group entity, Prestige Hospitality Ventures Limited (PHVL), for a consideration of Rs. 61 crore.

As of December 2025, around 60% of the total project cost (excluding land) for the retail mall project remains to be incurred, which exposes PGRPL to residual execution risk. Further, PGRPL's credit profile remains vulnerable to significant market risk due to absence of leasing tie-ups. Nevertheless, these risks are partly mitigated by the favourable location of the project, construction progress and the Prestige Group's established track record in project execution and leasing of real estate assets. Any substantial delays in achieving leasing tie-ups for the retail mall could adversely impact its ability to refinance the construction finance (CF) loan of Rs. 225 crore. Nevertheless, it has sufficient time to achieve adequate leasing tie-ups for refinancing the bullet repayment for the CF loan falling due in September 2028. The rating notes that the debt protection metrics remain susceptible to deterioration in the event of a material decline in occupancy levels or adverse interest rate movements, given the inherent volatility in mall revenues amid adverse macroeconomic conditions, while PGRPL is exposed to elevated geographical concentration risk owing to its single-project portfolio.

Adequacy of credit enhancement

For assigning the rating, ICRA has assessed the attributes of the guarantee issued by PEPL in favour of the said facilities. The corporate guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument, and has the other relevant attributes specified in ICRA's methodology for considering a credit enhancement. The payment mechanism is post-default in nature. Given these attributes, the guarantee provided by PEPL results in an

enhancement in the rating of the said instrument to [ICRA]A+ (CE) against the rating of [ICRA]BBB+ without explicit credit enhancement. In case the ratings of the guarantor or the unsupported ratings of PGRPL change in future, the same would have a bearing on the ratings of the aforesaid facilities. The ratings of these facilities may change in a scenario, whereby in ICRA's assessment, there is a change in the strength of the business linkages between the guarantor and the rated entity, or in the reputation sensitivity of the guarantor to a default by the rated entity, or in the strategic importance of the rated entity for the guarantor.

Salient covenants of the rated facility:

- Fixed asset coverage ratio (FACR) should be a minimum of 1.5 times
- Debt to equity to be a minimum of 1.5 times for disbursement up to Rs. 200 crore and 1.22 times for disbursement beyond Rs. 200 crore
- Debt to EBITDA shall be less than 5 times in FY2031 and FY2032 and less than 4.25 times from FY2033 onwards
- DSCR to be a minimum of 1.15 times in FY2030 and 1.20 times from FY2031 onwards

Key rating drivers and their description

Credit strengths

Corporate guarantee from PEPL – The rated instrument is backed by a corporate guarantee from PEPL. The guarantee is legally enforceable, irrevocable, unconditional, and covers the entire amount and tenor of the rated instrument, and has the other relevant attributes specified in ICRA's methodology for considering a credit enhancement. The payment mechanism is post-default in nature.

Strong promotor group with established track record lends financial flexibility – The Prestige Group has over 39 years of experience in the real estate development and is one of the leading real estate developers in South India. It has completed around 313 real estate projects, with a developable area of ~206 msf as of December 2025. It has developed a diversified portfolio of real estate projects focussing on the residential, commercial, hospitality and retail segments. Besides, Prestige 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 December 31, 2025. ICRA expects the parent to provide timely financial support to PGRPL for funding shortfall, if any, given its strategic importance and PEPL's reputation sensitivity to default.

Favourable location of project – The company's ongoing project is favourably located at Yerthiganahalli, Bengaluru, with proximity to key office hubs in Settigere, Doddajala, which enhances its marketability and is expected to support healthy footfalls and adequate pre-leasing traction until completion. The location benefits from strong road connectivity, providing swift access to major city centres such as Hebbal, Manyata Tech Park and other key parts of Bengaluru, while its close proximity to the international airport, continues to be a key location-specific advantage.

Credit challenges

Exposure to execution and market risks – For its retail mall, the company is yet to incur around 60% of the total project cost (excluding land) as of December 2025, exposing it to residual execution risk. Further, it faces market risk as no leasing tie-ups are in place. Nonetheless, the favourable location of the projects, current construction progress and the Prestige Group's established track record in project execution and leasing its real estate projects mitigate the market risk to an extent.

Exposure to refinancing risk – The company is exposed to high refinancing risk as any significant delays in achieving leasing tie-ups for the ongoing retail project could adversely impact the company's cash flow position and its ability to refinance the CF loan of Rs. 225 crore. Nevertheless, it has sufficient time to achieve adequate leasing tie-ups for refinancing the bullet repayment for the CF loan, falling due in September 2028.

Geographical concentration risk and vulnerability to external factors – The company is developing a single retail mall project, in Yerthiganahalli, Bengaluru, which exposes it to geographical concentration risk, inherent in a single asset special purpose vehicle. PGRPL’s revenues are exposed to volatility in occupancy caused by adverse macroeconomic conditions, which could impact the prospective tenants’ business risk profiles. The debt coverage ratios remain vulnerable to material decline in occupancy or changes in interest rates.

Liquidity position: Adequate

For the rated Entity (PGRPL): Adequate

PGRPL’s liquidity profile is adequate with the remaining project cost of around Rs. 280 crore as on December 31, 2025, expected to be met partly from undrawn CF loan of around Rs. 96 crore and balance from promoters’ contribution. The company has unencumbered cash and liquid investments is Rs. 21.6 crore as on December 31, 2025.

For the guarantor (PEPL): Adequate

The company’s liquidity profile is adequate, with unencumbered cash and liquid investments of Rs. 2,365.5 crore as on September 30, 2025. ICRA expects PEPL’s debt servicing obligations (P+I) to be serviced comfortably from its CFO. Further, it has significant capex of Rs. 5,100-5,300 crore in FY2026 and Rs. 5,900-6,100 crore in FY2027 towards the commercial office and hospitality division, which is likely to be met by a mix of debt funding and internal accruals.

Rating sensitivities

Positive factors – Ramp up in occupancy levels at adequate rentals in the mall resulting in mitigation of refinancing risk and improvement in debt protection metrics, on a sustained basis, along with any improvement in the credit profile of the guarantor, PEPL, could result in a rating upgrade.

Negative factors – Any significant deferment in project completion resulting in delayed commencement of rentals in the mall or an increase in indebtedness impacting the company's debt protection metrics could result in a rating downgrade. Additionally, deterioration in the credit profile of the guarantor, PEPL, or weakening of business linkages or strategic importance of the company towards the guarantor could put pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Ultimate Parent Company: Prestige Estates Projects Limited (PEPL) ICRA expects the ultimate parent PEPL to provide timely financial support to the company for funding any shortfall, given their close financial linkages, its strategic importance for the parent and the parent’s reputation sensitivity to default. Moreover, PEPL has provided an irrevocable, unconditional corporate guarantee to the rated bank facility of PGRPL.
Consolidation/Standalone	The rating is based on the company’s standalone financial profile.

About the company

Prestige Garden Resorts Private Limited (PGRPL), incorporated on March 19, 1996, undertakes real estate development and related activity. PGRPL is developing a retail mall project, Forum 13-degree North, with a total leasable area of 0.72 msf, in Yerthiganahalli, North Bengaluru. Construction of the project commenced in April 2023, with the scheduled date of commencement of commercial operations (DCCO) of September 2028. However, the company expects to complete the retail mall by March 2028. Earlier, PGRPL was constructing Hotel W Bengaluru – Forum North (with 176 keys). This under-construction hotel has been transferred to another Group company, Prestige Hospitality Ventures Limited (PHVL) on January 1, 2025.

Key financial indicators (audited): Not meaningful as the company is currently in the project stage

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Apr 7, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long term	225.00	[ICRA]A+ (CE) (Stable)	-	-	Jan 22, 2025	[ICRA]A+ (CE) (Stable)	-	-

Complexity level of the rated instrument

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/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Term loan	September 2023	NA	September 2028	225.00	[ICRA]A+ (CE) (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 Varshney

+91 80 4332 6427

pulkit.varshney@icraindia.com

Sonali Agarwal

+91 80 4332 6418

sonali.agarwal@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



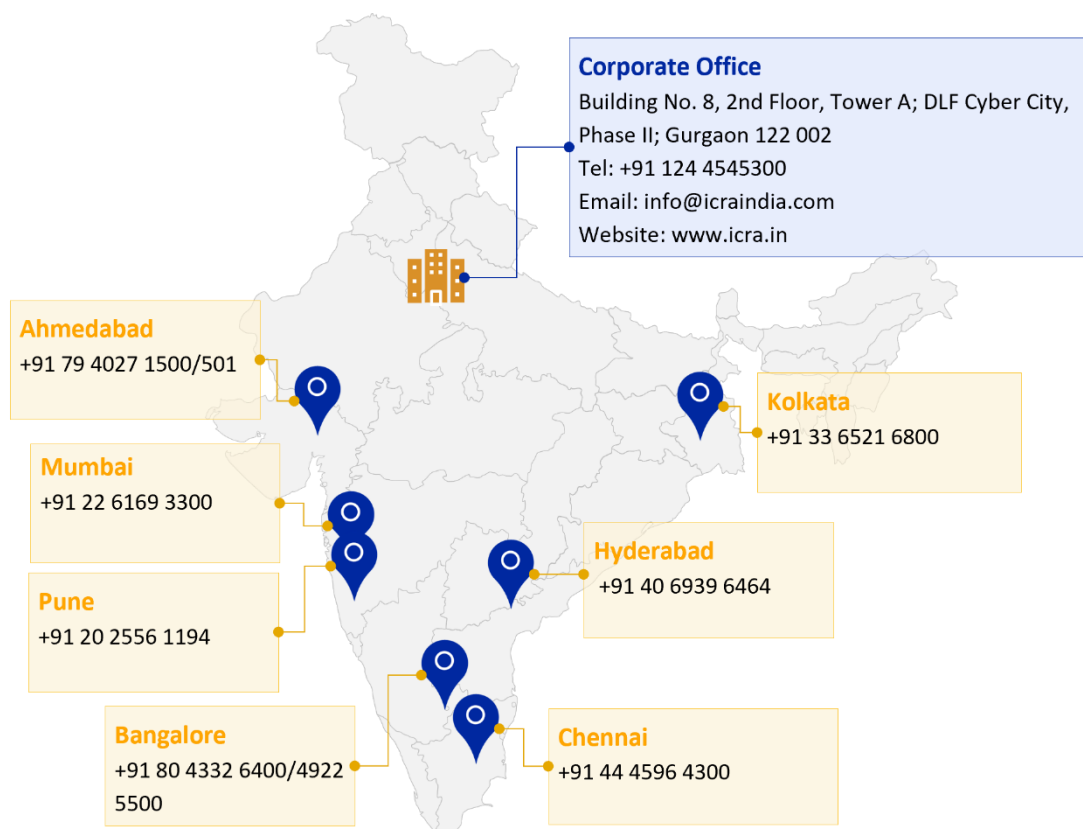
Registered Office

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

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 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.