



Prestige Estate Projects Limited

Update as on December 2017

CRISIL keeps all its outstanding ratings under continuous surveillance. Accordingly, it seeks regular updates from companies. CRISIL is yet to receive adequate information from Prestige Estate Projects Limited to enable it to undertake a rating review.

CRISIL is taking all possible efforts to get cooperation from the company with its rating process for enabling it to carry out the rating review. CRISIL views information availability risk as a key factor in its rating process.

CRISIL may suspend the ratings shortly if the company continues non-cooperation with the rating process.

About the Company

The Prestige group, established in 1986 by the Razack brothers, is a leading developer in Bangalore

Please note: This update should not be construed as a rating reaffirmation

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Last updated: April 2016

March 28, 2012
Mumbai

Prestige Estates Projects Limited

Rating upgraded to 'DA1'

Developer Rating	DA1 (Upgraded from DA2+)
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CRISIL has upgraded its real estate developer rating on Prestige Estates Projects Ltd (Prestige) to '**DA1**' from 'DA2+'. The 'DA1' rating indicates that the developer's ability to execute real estate projects as per the specified quality level and within the stipulated time schedule, and its ability to transfer a clean title, is '**excellent.**'

The upgrade is driven by significant improvement in Prestige's financial risk profile as well as significant reduction in average delay in the projects it has completed over the past five years. Its financial risk profile, as reflected in its net worth and gearing, improved over 2010-11 (refers to financial year, April 1 to March 31), driven by the initial public offering it issued in October 2010; the improved financial risk profile has been sustained over 2011-12. The average delay in projects Prestige has completed over the past five years reduced to three months in March 2012, from six months in September 2009. CRISIL believes that Prestige will be able to sustain the improvement in its financial risk profile and execution quality over the medium term.

The rating reflects Prestige's strong brand equity and well-diversified presence in residential, commercial, retail and hospitality real estate segments in Bangalore, prudent land acquisition strategy, and good systems and processes. The company has an established track record of more than two decades, having executed 161 projects involving the development of 45.8 million square feet (sq ft) across real estate segments – residential (apartment complexes, row houses, villas), commercial (offices, technology parks, special economic zones, customised offices), retail and hospitality. These rating strengths are partially offset by Prestige's aggressive development plans (it has ongoing projects totalling 37.9 million sq ft, to be executed over the next three years, and planned projects totalling 23.4 million sq ft). The rating also factors in Prestige's exposure to revenue concentration risks, given its focus on high-value projects in Bangalore.

About the Company

The Prestige group, established in 1986 by the Razack brothers, is a leading developer in Bangalore. The bulk of its ongoing projects are in Bangalore, in addition to Hyderabad, Chennai, Mysore, Mangalore, and Kochi. These projects are to be developed over the next three years. In 2010-11, Prestige posted a profit after tax of Rs.1709 million on an operating income of Rs.15462 million.

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