

## Rating Rationale

April 3, 2018 | Mumbai

### Prestige Estates Projects Limited

#### Rating Action

<b>Developer Rating</b>	<b>DA1 (Reaffirmed)</b>
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1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

CRISIL has reaffirmed its real estate developer rating of 'DA1' on Prestige Estates Projects Ltd (Prestige).

The 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 to transfer a clean title, is 'Excellent.'

The rating also reflects strong brand equity and well-diversified presence in residential, commercial, retail and hospitality real estate segments, prudent land acquisition strategy, and good systems and processes. The company has an established track record of three decades, having executed 212 projects involving the development of 83.6 million square feet (sq ft) across real estate segments – residential (apartment complexes, row houses, villas), commercial (offices, technology parks, special economic zones, customised offices), plotted development, retail and hospitality. These strengths are partially offset by aggressive development plans (it has ongoing projects totalling 52.9 million sq ft, to be executed over the next three years, and planned projects totalling 48.0 million sq ft). The rating also factors in an exposure to revenue concentration risks, due to the focus on high-value projects in Bengaluru.

#### About the company

The Prestige group, established in 1986 by Mr Razack Sattar, is a leading developer in Bengaluru. A bulk of its ongoing projects are in Bengaluru, in addition to Hyderabad, Chennai, Mysuru, Mangaluru, and Kochi. Profit after tax was Rs 379 crore in fiscal 2017 on operating income of Rs 4,785 crore.

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