



Developer Grading Rationale
January 18, 2024, Bengaluru
Prestige Estates Projects Ltd

Developer grading

DA1+

Valid until: January 17, 2025

Detailed rationale

CRISIL has reaffirmed real estate developer grading of '**DA1+**' on Prestige Estates Projects Ltd (PEPL).

The grading indicates that the developer's ability to execute real estate projects as per the specified quality level and time schedule and transfer a clean title is '**Excellent.**'

The grading reflects the developer's robust execution record of over three decades, strong brand and goodwill, sound marketing strategy and development plans, with experienced senior management. It also factors the developer's adequate financial position backed by healthy bookings from ongoing projects and timely receipt of customer advances.

Further, PEPL's presence across diverse real estate segments – residential, commercial, retail and hospitality – provides support in reducing risks in case of any downturn in any specific segment. Additionally, the company has a wide footprint, with projects under execution spread across 11 cities in India.

These strengths, though, are partially offset by inherent market risk, execution, manpower availability and funding risks associated with large ongoing and upcoming projects in its new area of operations, such as Mumbai, Pune, Goa and the National Capital Region (NCR), also low saleable inventory available, and slight decline in sales in Bengaluru for fiscal 2023. New markets in turn will also expose PEPL to various states regulators norms and requirements that need to be adhered. A few ongoing and planned projects of Prestige Group are in joint venture, exposing it to risk of non-performance of the joint venture partner.

PEPL's standalone¹ financial risk profile is strong, however revenue from operations declined slightly from Rs 4,559.20 crore in fiscal 2022 to Rs 4,329.70 crore in fiscal 2023. Profit after tax (PAT) declined from Rs 947.30 crore in fiscal 2022 to Rs 340.90 crore in fiscal 2023, due to exceptional items (Deferred consideration of transfer of certain investment and completed commercial projects on a slump sale basis). However, its net worth stood at Rs 6,649.30 crore in fiscal 2023, which was an improvement from Rs 6,369.30 crore in fiscal 2022.

Meanwhile, at the group level (consolidated¹), i.e. Prestige Group, the financial risk profile was also strong, reflected in increase in revenue of Rs 8,315.00 crore in fiscal 2023 from Rs 6,389.50 crore in fiscal 2022. PAT stood at Rs 1,066.80 crore, slightly lower than Rs. 1,214.8 crore in the fiscal 2022, and debt to equity ratio is at 0.54 times with robust net worth of Rs 10,258.50 crore in fiscal 2023, up from Rs 9,546.90 crore in fiscal 2022.

¹ As per annual reports of fiscals 2022 and 2023

About the developer

Founded in 1986, Prestige Group has presence in Bengaluru, Chennai, Hyderabad, Mangaluru, Kochi, Kozhikode, Goa, Ooty, Mumbai, Pune, and the National Capital Region.

The group has executed 288 real estate projects admeasuring ~172 million sq ft till date across residential (apartment complexes, row houses and villas), commercial (offices, technology parks, special economic zones, and customised offices), plotted development, retail and hospitality. Currently, it has 56 ongoing projects totalling ~86 million sq ft under various stages of development and 43 upcoming projects covering ~85 million sq. ft².

²As per investor presentation for Q2 of FY23-24



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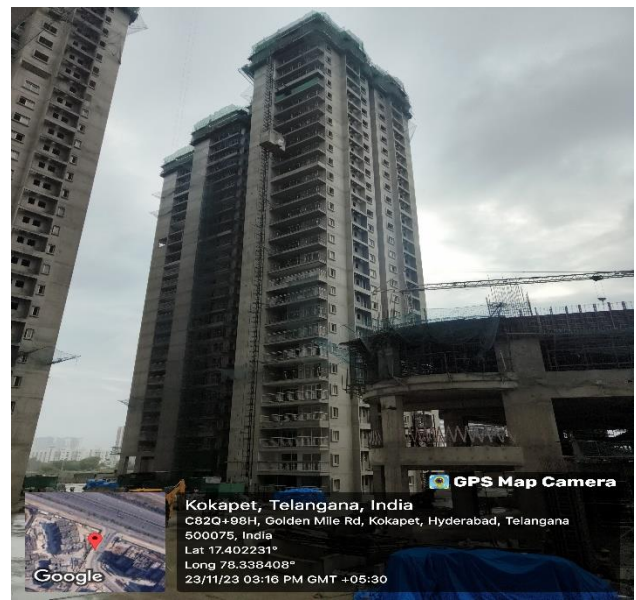
Photographs

Ongoing projects

The Prestige city, Mulund (residential) – Mumbai

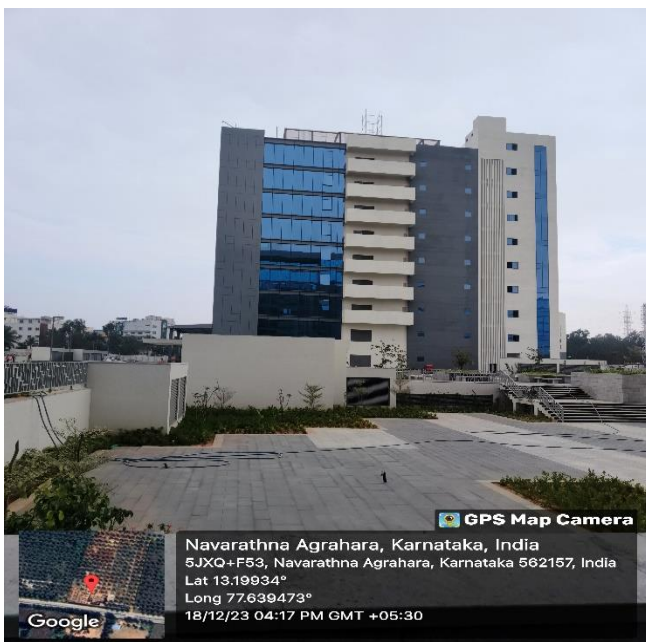


Prestige Beverly Hills (residential) – Bengaluru

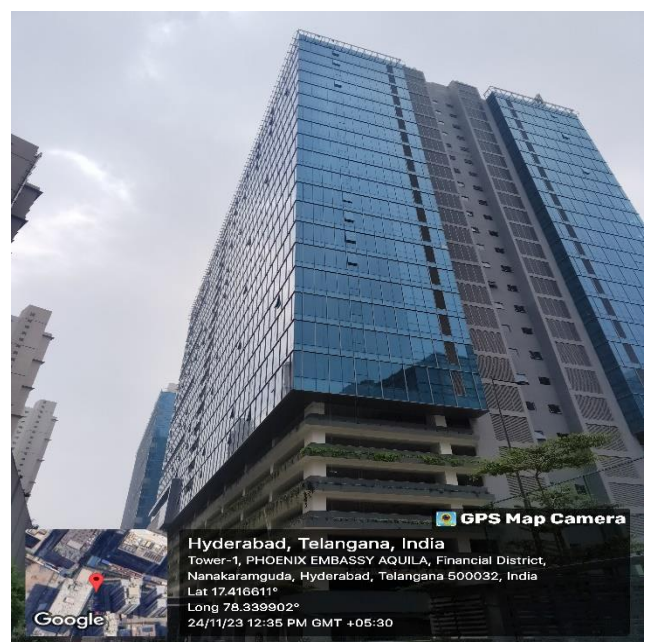


Completed projects

Prestige Techcloud (commercial) – Bengaluru



Prestige Skytech (commercial) – Hyderabad



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