



Developer Grading Rationale
January 20, 2023, Bengaluru
Prestige Estates Projects Ltd

Developer grading

DA1+

Valid until: January 19, 2024

Detailed rationale

CRISIL has reaffirmed its 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 within the stipulated time schedule, and transfer a clean title, is '**Excellent**'.

The grading continues to reflect the developer's strong brand image and goodwill in the real estate market, sound marketing practices and project-development strategies. The grading also factors in the company's robust financial-risk profile and liquidity, driven by healthy bookings for ongoing projects and timely receipt of customer advances.

Additionally, grading drivers supporting reaffirmation include the company's robust executional track record of over three decades, experienced senior management, sound marketing strategies, and standardised workflow processes and systems. PEPL's well-diversified presence across segments such as residential, commercial, retail, and hospitality offsets the risk of a downturn in a particular segment.

These strengths are partially offset by the saleability and execution risks in ongoing and upcoming projects in a new area of operations like Mumbai, Pune and NCR; low inventory levels available for sale; and hybrid working pattern may impact commercial lease revenue.

PEPL's (standalone)¹ financial risk profile is strong, reflected in revenue from operations increasing from Rs 4,054.20 crore in fiscal 2021 to Rs 4,559.20 crore in fiscal 2022. It posted higher profit after tax (PAT) of Rs 947.30 crore in fiscal 2022 as compared with Rs 212.80 crore in fiscal 2021 due to increased overall sales along with extraordinary income generated from sale of direct/ indirect interest in commercial, retail and hotel properties. Net worth for fiscal 2022 stands at Rs 6,369.30 crore, improving from fiscal 2021's Rs 5,480.90 crore.

Prestige Group's (consolidated)¹ financial risk profile remained strong, reflected in total revenue of Rs 6,389.50 crore in fiscal 2022. It posted PAT of Rs 1,214.80 crore in fiscal 2022. Moreover, its gearing remains acceptable at 0.69 times, with robust net worth of Rs 9,546.90 crore

The group has delivered 272 real estate projects admeasuring ~154 million sq ft till date, across residential (apartment complexes, row houses, villas), commercial (offices, technology parks, special economic zones, customised offices), plotted development, retail, and hospitality. The group has 52 ongoing projects of ~78 million sq ft under various stages of development and 47 planned projects of ~79 million sq ft². Few ongoing and planned

¹ As per annual report of 2021-22 and 2020-21

²As per investor presentation for Q2 of FY22-23



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projects of Prestige Group are on a joint venture basis, exposing group to the risk of non-performance of a joint venture partner.

About the developer

Established in 1986, Prestige Group is a leading developer with a presence across India (Bengaluru, Chennai, Hyderabad, Mangaluru, Kochi, Goa, Ooty, Mumbai, Pune, and the National Capital Region).

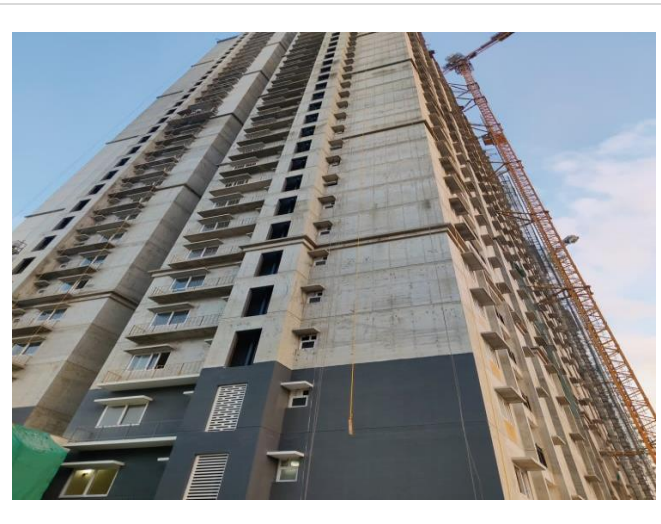
Its development strategy focuses on completing ongoing projects that are mainly undertaken on joint development land. These projects do not require upfront investment and are largely funded through customer advances.



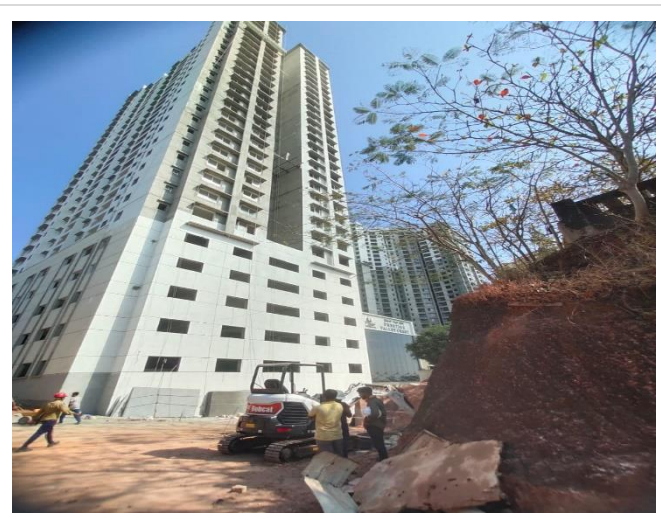
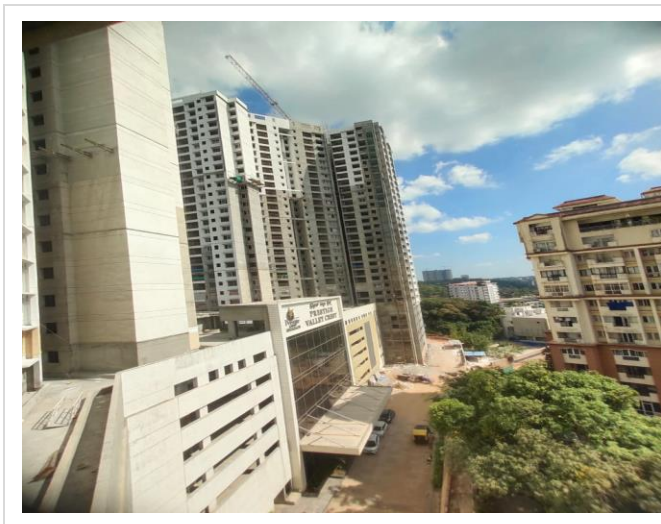
Photographs

Ongoing projects

Prestige Tranquil (Residential) – Hyderabad

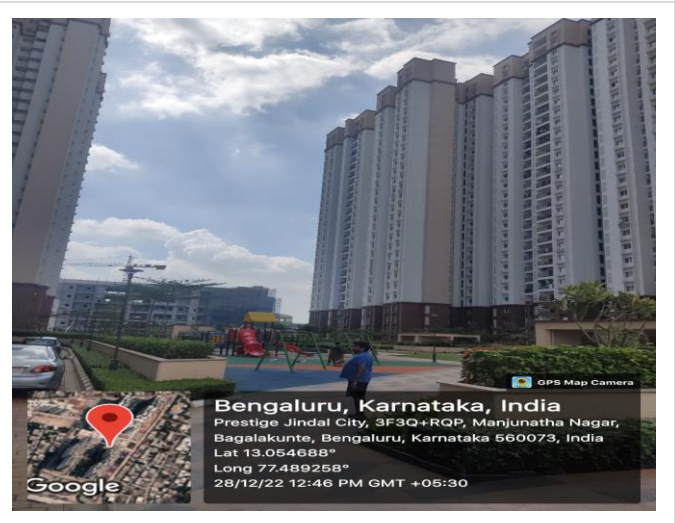
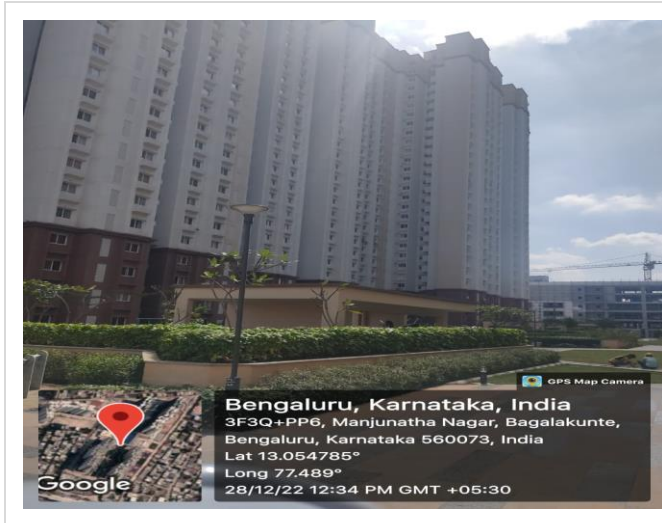


Prestige Valley Crest (Residential) - Mangaluru





Prestige Jindal City (Residential) - Bengaluru



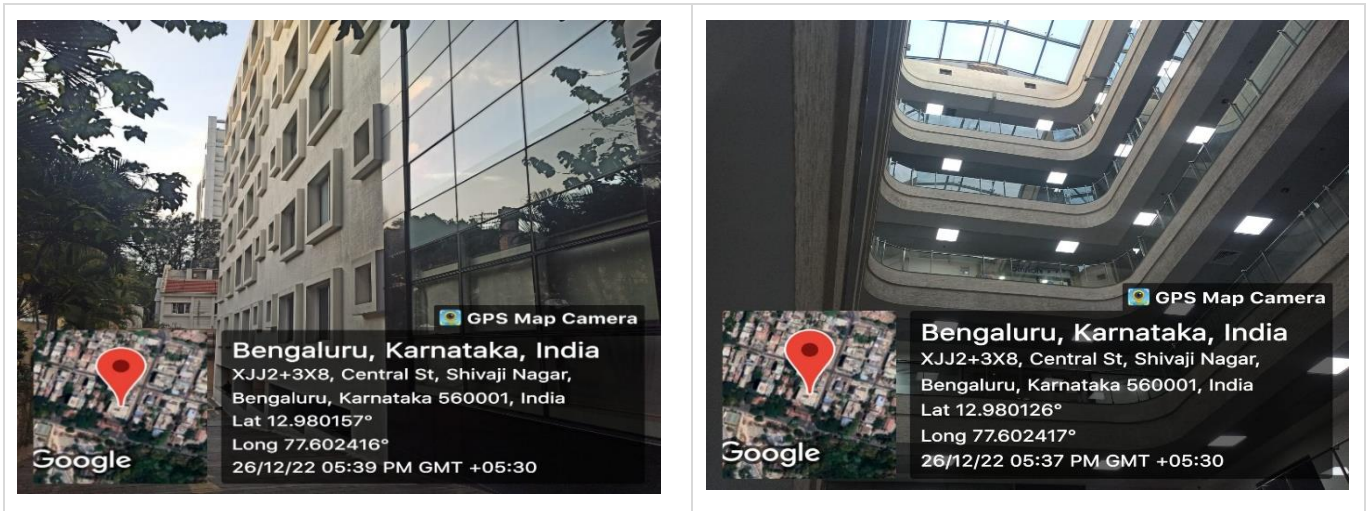


Completed projects

Prestige High Fields (Residential) – Hyderabad



Prestige Atrium (Commercial) - Bengaluru



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