



**Press Release**  
**NATIONAL REALTY PRIVATE LIMITED**  
**January 31, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1612.00	ACUITE BBB-   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	1612.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.1,612.00 Cr. bank facilities of National Realty Private Limited (NRPL). The outlook is 'Stable'.

**Rationale for rating**

The rating reaffirmation reflects the improved y-o-y operating performance in FY24, in line with the projections. The rating also factors in the established track record and experience of the promoters in the real estate industry over the last four decades. Further, the rating draws comfort from the portfolio of premium properties valuing Rs.3,646 Cr. as on December 23, 2024, reputed tenant's profile, consistent high occupancy rates and long relationship with its tenants. However, these strengths are partly offset by the high reliance on external debt which is impacting the debt ratios and susceptibility of the lessee's performance along with occupancy and renewal risk.

**About the Company**

NRPL is a real estate investment company, started its operations in the year 1983. The company is engaged in the business of acquiring properties (mainly commercial) and leasing them to corporate bodies, multinational companies and banks. The company identifies and acquires high growth potential commercial properties for income and appreciation in capital values. The share capital of the company is fully held by Mr. Kamal Kishore Jain, his family trust and other family members. The current directors of the company are Mr. Kamal Kishore Jain, Mrs Beenu Jain and Mr. Sorabh Jain.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of NRPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Established track record of operation and dealings with reputed tenants**

NRPL has an established track record of operations dating back to almost four decades, along with experienced management. The company is promoted by Mr. Kamal Kishore Jain who is supported by his son Mr. Sorabh Jain. The experience of promoters is also reflected in the growing scale of operations, with revenue of the company increasing to Rs. 201.71 Cr. in FY24 as against Rs. 142.42 Cr. in FY23. Further, the company was able to mark Rs.179.96 Cr. of rental income for 9 months ended FY25. This increase in rental income for the company in FY24

was marked by the addition of properties over the last year and the successful renewal of existing agreement at higher rate.

The company has maintained a stable relationship with reputed clientele in different industries namely retail industry, financial services, banks, NBFCs, consulting, healthcare, managed offices and others. The clientele of the company includes companies like Tablespace Technologies, Deloitte, Lintas India, Aditya Birla Financial services, Mizuho bank, Investec, Siemens and many more.

Acuite believes that NRPL will continue to benefit from its established track record of operations, healthy relationships with reputed clients leading to consistent high occupancy rates.

### **Portfolio of premium properties with high occupancy**

Over the years, NRPL has significantly increased the number of properties in the portfolio backed by term loans from the various banks. The company has exponentially increased the portfolio of properties from 56 as on FY21 to a total of 85 properties till December 2024. These properties are located across major cities such as Mumbai, Pune and few properties in Nashik and Kolkata. The company has various commercial properties across the major business locations such as iThink Lodha - Kolshet, Technology centre IV - Powai, Crescenzo - BKC, Peninsula Business Park - Parel, Amar Tech Park - Pune and many others. The occupancy level of the properties stand at ~100 percent as on December 31, 2024. The current market value of the properties as on December 23, 2024 stands at around Rs.3,646 Cr, with a loan to value ratio of ~ 56 percent.

Further, the market outlook for the real estate sector is favouring the company with government initiatives aimed at infrastructural development are further propelling commercial growth, creating a favourable environment for investors and businesses. With this, the chance of any property remaining vacant is low for the company.

### **Weaknesses**

#### **Significant reliance on external borrowings impacting debt ratios**

The financial risk profile of the company remains below average marked by low net worth, high gearing, and poor debt protection metrics. The tangible net worth of the company stood at Rs. (34) Cr. as on March 31, 2024 as against Rs.6.36 Cr. as on March 31, 2023. The decrease in net worth in on account losses made by the company during the year due to higher interest expense and depreciation marked. The company had revalued their assets for the first time in FY21 which led to significant increase in asset's value. Further, considering the revaluation reserves the net worth of the company stood at Rs. 505.34 Cr. as on March 31, 2024.

Further, with the addition of properties, company has also significantly increased its external debt through fresh borrowings, top ups and refinancing of existing loans in the last 3 years, leading to debt service coverage ratio (DSCR) below unity for last 3 yrs. The current debt of the company stands Rs.2,053.87 Cr. as on December 23, 2024 as against Rs.1896.11 Cr. as on March 31, 2024.

Going forward, debt servicing is to be supported by adequate cashflows on leased properties routed through escrow mechanism and DSCR is expected to improve to unity or above over the medium term, which shall be a key rating sensitivity.

#### **Susceptibility to lessee' performance along with occupancy and renewal risk**

NRPL primarily generates cash flows from lease rentals. The company's ability to meet its repayment obligations will be dependent on the continued and timely flow of rentals as per the agreed terms under arrangement. The occurrence of events such as delays in receipt of rentals, or early exits/negotiation by lessee due to the latter's lower than expected business performance may result in disruption of cash flow streams thereby affecting NRPL's debt servicing ability. Any significant renegotiations by the lessees can adversely impact the cash flows for the company.

### **Rating Sensitivities**

- Adequate rental receipts along with high occupancy rate
- Improvement in DSCR over the medium term
- Significant addition of external debt leading to further deterioration in financial risk profile

### **Liquidity Position**

#### **Adequate**

The liquidity of the company is adequate supported by routing of cashflows through escrow mechanism with a well-defined waterfall structure. Further, the company is also maintaining a DSRA of Rs. 20.42 Cr. with various banks as of December 31, 2024, providing additional cushion to liquidity. Also, the average utilizations for overdraft facility stood at low of 31.15 percent in last 12 months ended December 31, 2024. The cash and bank balance of the company stood at Rs 1.58 Cr. as on 31st March 2024. The company also has a GST receivable of Rs 18.68 Cr. as on March 31, 2024. However, the company has not generated sufficient accruals to repay its debt obligation in FY24 resulting into a below unity DSCR, servicing was supported by refinancing of / top up on existing debt.

### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	201.71	142.42
PAT	Rs. Cr.	(60.43)	(43.21)
PAT Margin	(%)	(29.96)	(30.34)
Total Debt/Tangible Net Worth	Times	(55.76)	231.51
PBDIT/Interest	Times	1.16	1.21

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

## Any other information

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Mar 2024	Proposed Long Term Bank Facility	Long Term	5.17	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	570.53	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	391.30	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	125.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	520.00	ACUITE BBB-   Stable (Reaffirmed)
29 Dec 2023	Proposed Long Term Bank Facility	Long Term	523.93	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	570.53	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	392.54	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB-   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	143.70	Simple	ACUITE BBB-   Stable   Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2039	620.00	Simple	ACUITE BBB-   Stable   Reaffirmed
Punjab and Sind Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2039	432.00	Simple	ACUITE BBB-   Stable   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2037	391.30	Simple	ACUITE BBB-   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

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