



**Press Release**  
**MUMBAI METROPOLITAN REGION DEVELOPMENT AUTHORITY**  
**August 01, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Issuer Rating (IR)	0.00	ACUITE AA   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long term issuer rating (IR) of '**ACUITE AA**' (read as **ACUITE double A**) to Mumbai Metropolitan Region Development Authority (MMRDA). The outlook is '**Stable**'.

**Rationale for rating**

The rating assigned takes into account the strategic importance of MMRDA to the Maharashtra state government as a statutory body responsible for the planning and development of the Mumbai metropolitan region. The rating factors in the strong financial flexibility and resource mobilization ability of the authority. Also majority of the debt is being guaranteed either by the state or central government. Further, the authority has diversified sources of revenues including grants from the state government, stamp duty collections, land sale receipts, interest incomes, etc. Furthermore, the significant cash deposits of ~Rs. 6,500 Cr. on June 30, 2025 and availability of large land parcels of ~400 hectares provides additional liquidity comfort. However, the rating is constrained on account of high debt onboarding vis-a- vis slow project execution observed in various projects. These risks are however, moderated to some extent given the authority's long track record of operations.

**About the Company**

Mumbai Metropolitan Region Development Authority (MMRDA) is a statutory authority established under the Mumbai Metropolitan Region Development Authority Act, 1974 for the purpose of planning, coordinating and supervising the proper, orderly and rapid development of the Mumbai Metropolitan Region (MMR). The MMR is spread across 6,328 sq km which consists of 9 municipal corporations namely Greater Mumbai, Thane, Kalyan-Dombivali, Navi Mumbai, Ulhasnagar, Bhiwandi- Nizamapur, Vasai-Virar, Mira-Bhayandar and Panvel; and 9 Municipal Councils viz. Ambarnath, Kulgaon-Badalapur, Matheran, Karjat, Khopoli, Pen, Uran, Alibaug and Palghar, along with more than 1,000 villages in Thane, Raigad and Palghar Districts. Further, the authority has a committee of 17 members along with Minister of Urban development, GoM (Government of Maharashtra) being the chairman of MMRDA. The authority has completed some sizeable projects in past years such as Mumbai metro (Line 1, 2A and 7), Mumbai Monorail, Eastern freeway, Mumbai Trans Harbour Link, etc and has a pipeline of upcoming key projects.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone financial and business risk profile of MMRDA while arriving at the rating

## **Key Rating Drivers**

### **Strengths**

#### **Strategic importance to State Government**

MMRDA as a statutory body is strategically important to the GoM, as it undertakes the planning and infrastructure

development of the MMR which covers an area of 6,328 sq km. It is one of the largest metropolitan development authorities in the country. It undertakes key infrastructure development projects in the MMR. Further, authority receives assistance from the government for execution of projects in the form of financial aid as well as guarantees. The financial assistance from the government comes in the form of grants, loans, revolving funds and sub-debts. Furthermore, majority of the loans availed by the MMRDA are guaranteed by the central or state government. Also, government officials form part executive committee of MMRDA with Minister of Urban development, GoM being the chairman.

### Significant land bank parcel, aiding large capital receipts

The authority has a land bank worth ~Rs. 90,000 – 1,00,000 Cr. in Wadala and Bandra Kurla Complex (BKC) spanning across a total area of ~400 hectares. The authority auctions off portions of the land, enters into long term lease agreements or transfers development rights to generate funds for executing its projects. Over the years, the authority has generated significant sums of money through these land liquidation ~ Rs 1200 Cr. in FY2023 & ~ Rs 1000 Cr. in FY2024.

### Strong financial flexibility and resource mobilization ability

Over the years, the authority has sold significant amounts of land parcels which has led to accumulation of large cash and bank balances (including FD) (~Rs. 6,500 Cr. on June 30, 2025) on which it earns significant interest incomes. Further, the authority receives contributions from the state/central government on a timely basis for various projects, leading to build up of strong reserves and networth which stood at Rs. ~32,487.56 Cr. on December 31, 2024. Further, as a strategically important arm of the GoM and strong historical track record of executions, it enjoys financial flexibility in terms of raising funds from financial institutions at favourable rates, securitized against project cashflows with long moratorium periods.

Particular	FY 22	FY 23	FY 24
Total revenue and contributions*	594	1,427	3,272
Revenue expenditure#	466	950	1,102
Revenue surplus/deficit	128	477	2,170
Operating margin (%)	22%	33%	66%
Revenue expenditure /Revenue income (%)	78%	67%	34%
Capital expenditure on projects	9,492	12,805	11,462

\*includes contribution from government which were classified as capital grants in the financial statements.

#excludes capital expenditure classified as revenue expenditure in the financial statements.

## Weaknesses

### Significant capex plans elevating the debt levels

The authority is currently executing some key projects across the MMR region including Mumbai metro (line 2B, 4, 4A, 5, 6, 9,10, 12), Uttan to Virar coastal road, Thane to Borivali – twin tunnel, etc. which accounts for a capex spend of ~Rs 2.05 lakh crore (Rs. ~52,000 Cr. spent till June 30, 2025). These project are majorly funded through a mix of external debt, grant and internal accruals ranging to ~ Rs 1.50 lakh crore, Rs ~16,000 crore , ~ Rs 39,000 crore respectively. Therefore, with the increasing project execution pipeline, the external debt has climbed up sharply from Rs. 10,570.22 Cr. as on March 31, 2022 to Rs. 33,945.72 Cr. as on June 30, 2025. Moreover, this debt is expected to increase further in the near to medium term, owing to debt drawdowns for ongoing projects and new developments to be financed through additional borrowings.

### Project execution risk

Several projects of the authority have faced delays in the past owing to issues such as land acquisition, contractor issues, regulatory hurdles, environmental clearance, relocation, which have led to significant time and cost overruns in the past. Majority of these issues still persist currently, which may hamper the timely completion of its ongoing projects. However, the authority has undertaken a few initiatives which include penalizing contractors for delays mainly for labour shortage, revision in the compensation policy so as to minimize/avoid delays wherever possible. Further, the long track record of project execution by the authority over the past decades mitigates the risk.

### Rating Sensitivities

- Timely completion of the projects without significant cost and time over runs
- Significant increase in borrowings leading to stretch in the liquidity position
- Timely receipt of funds from government and other sources to support the project execution

## **Liquidity Position**

### **Strong**

The authority has an operational track record of more than five decades, that has helped it to accumulate healthy cash and bank balances, which stood at ~Rs. 6,500 Cr. on June 30, 2025. While the rigorous capex plans had deteriorated the cash balances over the past years (~Rs 5500 Cr. in FY2022 to Rs ~4300 Cr. in FY2024) the continued inflows through government grants, sale of land parcels and interest incomes on cash surplus is expected to keep the liquidity strong over the medium term.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	2672.29	627.35
PAT	Rs. Cr.	(561.59)	(2757.26)
PAT Margin	(%)	(21.02)	(439.51)
Total Debt/Tangible Net Worth	Times	0.75	0.54
PBDIT/Interest	Times	0.00	(33314484.09)

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

None

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Urban Local Bodies : <https://www.acuite.in/view-rating-criteria-57.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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 :

Not Applicable

### Annexure - Details of instruments rated

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Not Applicable	Not avl. / Not appl.	Issuer Rating	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.00	Simple	ACUITE AA   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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