Rustomjee

Date: October 16, 2025

The General Manager Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001,	The Manager, Listing & Compliance Department, National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.
Scrip Code: 543669 & 977174	**Scrip Symbol: RUSTOMJEE**

Sub: Credit rating by India Rating and Research Private Limited

Ref: Intimation under Regulation 30(6) read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

This is to inform you that India Ratings and Research Pvt Ltd ("India Rating") has intimated the Company that the Rating Committee of India Rating has taken the following rating actions for the below mentioned instruments of the Company:

Instrument	Rated Amount (Rs. Million)	Rating Action
Bank Loan Facilities	3,000	IND A+/Positive: Assigned

The letter from India Rating along with rational is enclosed herewith.

We request you to please take note of the aforesaid.

Thanking you

Yours Faithfully

For Keystone Realtors Limited

BIMAL KISHORE NANDA
Digitally signed by BIMAL KISHORE NANDA
Date: 2025.10.16 15:20:11 +05'30'

Bimal Nanda
Company Secretary & Compliance Officer
ACS 11578

Encl: As above

India Ratings & Research
A Fitch Group Company

India Ratings Assigns Keystone Realtors's Bank Loan Facilities 'IND A+'/Positive

Oct 15, 2025 | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has rated Keystone Realtors Ltd's (KRL) bank loan facilities as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR3,000	IND A+/Positive	Assigned

Analytical Approach

Ind-Ra continues to take a fully consolidated view of KRL and its subsidiaries to arrive at the rating as all the companies operate in the same line of business under a common management.

Detailed Rationale of the Rating Action

The Positive Outlook reflects the substantial increase in KRL's scale of operations, supported by strong launches in 1QFY26, despite product and geographic concentration risks. Ind-Ra expects KRL's operational performance to remain robust, with presales of INR35 billion-45 billion in FY26, supported by sector consolidation that favours large, organised players. The company's consolidated credit profile substantially improved, led by net cash position as of 1QFY26.

The rating reflects KRL's prominent position in various micro markets in Mumbai in redevelopment projects, benefiting from its strong brand recall that allows for premium pricing and faster sales velocity. The company had16 ongoing projects across the Mumbai Metropolitan Region (MMR) comprising an unsold saleable area of 4.45 million square feet (msf), including ready-to-move-in (RTMI), as on 31 March 2025 and a project pipeline of 21.3 msf, ensuring project visibility for the next three-to-four years. KRL's ongoing projects had a gross development value (GDV) of INR115.7 billion with a total saleable area of 7.96 msf as on 31 March 2025. The company's bookings/presales stood at 1.69 msf at FYE25, totalling INR30.3 billion, recording 34% yoy growth. Additionally, its annual collections registered 6% growth in FY25.

The company's liquidity position remained adequate as on 31 March 2025, supported by robust operating cash flows and cash reserves. The agency estimates that the company's committed receivables of around INR31.48 billion and inventory of around INR62.68 billion, including RTMI, are sufficient to cover the remaining construction costs of its ongoing projects, which stood at approximately INR53.6 billion. The agency expects the company to continue to improve its operating cash flows over the next 12-24 months, primarily driven by significant growth in scale and project diversity through new launches, while maintaining its liquidity and credit strength. KRL's gross debt/operating cash flow ratio reduced to 0.54x in FY25 (FY24: 1.19x) and net debt/ operating cashflows reduced to negative 0.85x in FY25 (FY24: 0.56x) and the agency expects it to remain below 2.0x over FY26-FY27. The management intends to maintain its gross debt/equity ratio at about 0.75x in the near term.

List of Key Rating Drivers

Strengths

- Redevelopment business model
- Robust operational performance
- Launch pipeline underpins growth

- Leadership position and established brand in MMR
- Strong credit metrics

Weaknesses

- High geographical concentration
- High project concentration risk
- Exposure to cyclicality and regulatory risks

Detailed Description of Key Rating Drivers

Redevelopment Business Model: KRL has an asset lite business model with high return on capital employed (ROCE); however, it entails fixed rental cash outflows and moderate perceived litigation risk. Market acceptance for redevelopment projects may remain lower compared to the own-land model. However, this is partially offset by reference sales from tenant customers. Regulatory changes aimed at facilitating redevelopment along with KRL's established track record in redevelopment projects help mitigate this risk. KRL had strong project gross operating surplus of over INR9 billon from its ongoing project as on 31 March 2025. The management expects to generate an annual operating cash flow of around INR7.5 billion- 8.0 billion in the medium term. The agency expects KRL to maintain operating margin of above 25% in project bidding and business development planning.

Robust Operational Performance: In FY25, KRL's presales increased 34% yoy to INR30.3 billion (FY24: INR22.7 billion; FY23: INR16.04 billion), driven by higher sales volumes and price growth. Its collections also improved to INR23.3 billion in FY25 (FY24: INR22.03 billion), while demand for its offerings remained strong, backed by brand recognition and execution track record. As on 31 March 2025, its outstanding expenses yet to be incurred stood at INR53.6 billion; however, the same is covered by pending receivables from sales of INR30.3 billion along with available cash surplus of INR8.73 billion. KRL has strong sales momentum, advance collections and disciplined liquidity management, reflecting robust cash flows and creditworthiness. With presales of INR35 billion–40 billion projected for FY26, KRL is positioned to sustain its growth momentum, supported by favourable sector dynamics, supply consolidation and customer preference. KRL recorded presales of INR10.67 billion in 1QFY26, about 25% of its whole year guidance.

Launch Pipeline Underpins Growth: KRL's presales growth in FY25 was supported by its robust business development, with it adding nine projects having a business potential of over INR47.83 billion. Furthermore, KRL had guided for business development of INR60 billion in FY26; however, it has already surpassed this target by acquiring projects worth INR77.27 billon in 1QFY26. These projects will primarily be spread across MMR and include a mix of joint development and own development, including high-rise housing and plotted projects. As on 31 March 2025, approximately 71% of the total upcoming residential project portfolio in terms of value falls under mid/mass and aspirational segments.

Leadership Position and Established Brand in MMR: KRL operates under the brand name of Rustomjee, which has a presence of over 29 years and has delivered over 310 projects across MMR and has an established track record in sales and collections. KRL derives over 100% of its bookings from MMR. In addition to its established brand, KRL benefits from strong operating efficiencies and internal construction competencies. In FY25, KRL had projects across MMR, having unsold saleable area of 4.4 msf. The company has a pipeline of 21.3 msf, providing project visibility for three-to-four years. The inventory comprises a mix of luxury, premium, mid-segment, and affordable segments. Furthermore, KRL's track record enables access to a large land bank across MMR further enhances the profitable business continuity.

Strong Credit Metrics: KRL's gross debt decreased to about INR3.16 billion in FY25 (FY24: INR7.65 billion), driven by the repayments made through its surplus internal accruals and proceeds from its qualified institutional placement (QIP). As a result, the company turned net cash positive at FYE25. KRL's gross debt-to-operating cash flow ratio reduced to 0.54x in FY25 (FY24: 1.19x) and the agency expects it to be below 2.0x over FY26-FY27. The management stated that it intends to cap the gross debt at about INR10.0 billion, with debt/equity ratio of below 0.75x in the near term.

High Geographical Concentration: KRL has presence only in MMR, 100% of the total GDV of the ongoing projects are being developed in and around MMR. KRL also has 26 upcoming projects in MMR, with a total saleable area of over 21.3 msf. While historically its concentration was restricted to MMR and the management expects the contribution to remain same going forward. Thane and Prabhadevi currently account for 40% and 14%, respectively, for the KRL group.

However, in 1QFY26, the company launched projects in Bandra, Pali Hill and Chembur with an estimated GDV of INR39.67 billion, which is likely to further reduce its concentration in Thane and Prabhadevi. The company has entered into new micro markets such as Chembur, Mahim, Versova, Goregaon, Dombivali, Kasara and Nagpur, enabling location diversification.

High Project Concentration risk: The top five projects contributed around 76% of the company's GDV in FY25, indicating a high project concentration. Project Urbania and Crown contributed 51% to future cash flows from the ongoing project category; however, the risk would be mitigated by the launch of its upcoming projects. The company is likely to launch projects worth INR70 billion in FY26, which will significantly reduce the contribution from its Urbania and Crown projects. Redevelopment model requires a strong project diversification to ward off the impact of slow execution in any one or few project(s). The agency expects KRL to limit the project concentration with a single project not being more than 25% of the overall GDV.

Exposure to Cyclicality and Regulatory Risks: The Indian real estate industry is highly cyclical, with volatile cash flows. The sector is also subject to multiple regulatory approvals; thus, the timely receipt of regulatory approval is critical for the timely launches of new project phases and presales/collections. Redevelopment typically entails litigation risk and fixed rental outflows as such execution is key. Delay in execution may have strong bearing on return ratios.

Liquidity

Adequate: On a consolidated basis, at end-FY25, the company had a cost to completion of about INR53.5 billion for the projects that it had already launched and offered for sale. Against this, pending receivables from the sold units of ongoing projects stood at INR30.3 billion and inventory of around INR59.7 billion, excluding RTMI. Thus, the company achieved 90% of financial closure for its ongoing projects. At FYE25, the company had cash and cash equivalents of around INR8.1 billion and unutilised limits of INR13.9 billion. Ind-Ra expects the company to generate sufficient cumulative free cash flow before interest expenses of around INR16.6 billion over FY26-FY28. Combined with opening cash balances and undrawn credit limits of INR13.9 billion, the company is likely to sufficiently cover its debt servicing requirements of around INR10.3 billion (including interest) and capex of INR22.8 billion over FY26-FY28.

Rating Sensitivities

Positive: A sustained improvement in overall size and the scale of operations while maintaining the strong liquidity, project execution and credit profile; with net debt/operating cash flow remaining below 2.25x would be positive for the rating.

Negative: Future developments that could, individually or collectively, lead to downward rating action are:

- a decline in sales velocity and collections, leading to the net operating cash flows being lower than Ind-Ra's expectations and deterioration in the liquidity profile, on a sustained basis
- the net debt to operating cash flow exceeding 2.25x on a sustained basis on a sustained basis.

Any Other Information

Not applicable

About the Company

Established in 1995, KRL is a flagship entity of the Rustomjee Group. KRL and its subsidiaries undertake residential and mixed-use projects in MMR under the Rustomjee brand. The Rustomjee Group has a strong execution track record with over 28 years of experience, which includes development of luxury residential real estate, townships, affordable housing, shopping mall, schools and commercial spaces. It has developed over 25 msf of area, with over 42 msf in pipeline as of March 2025. The group has completed two mega townships, over 300 completed buildings and over 17,000 homes delivered.

The group has capability and experience in developing standalone buildings, gated communities and fully integrated townships. Greenfield & brownfield developments/redevelopments by partnering with societies, landowners and developers for residential, retail & commercial.

Key Financial Indicators

Particulars (Consolidated)	FY24	FY25
Presales	22,660	30,280
Net collections	22,030	23,270
Revenue	22,756	21,214
Adjusted EBIDTA*	974	3,067
Adjusted EBIDTA (%)	4	14
Gross debt	7,652	3,162
Cash and cash equivalents	4,061	8,093
Net debt	3,591	-4,931
*Adjusted EBIDTA is calculated after grossing up of finance cost included in cost of project Source: KRL; Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating
Bank loan facilities	Long-term	INR3,000	IND A+/Positive

Bank wise Facilities Details

The details are as reported by the issuer as on (15 Oct 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	ICICI Bank	Term loan	3000	IND A+/Positive

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

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Evaluating Corporate Governance

Corporate Rating Methodology

The Rating Process

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