

**Aditya Birla Real Estate Limited (Revised)**

August 21, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Non-convertible debentures	500.00	CARE AA; Stable	Reaffirmed
Commercial paper	1000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

**Rationale and key rating drivers**

Reaffirmation of long-term and short-term ratings to non-convertible debenture (NCD) and commercial paper (CP) issue of Aditya Birla Real Estate Limited (erstwhile Century Textiles and Industries Limited) continues to factor in strong parentage, healthy cashflow from residential segment, satisfactory construction progress, stable lease income from commercial properties and satisfactory financial risk profile.

On a consolidated basis, ABREL sold 50.2 lakh sq ft (lsf) in FY25 (PY: 17 lsf) marking a robust growth of 198% y-o-y. In line with robust sales of inventory, ABREL reported pre-sales of ₹8,087 crore (FY24: ₹3,985 crore) and collection of ₹2,706 crore (FY24: ₹1,323 crore) in FY25. This is expected to sustain in FY26 driven by robust project launch pipeline, likely healthy sales velocity in the upcoming launches, backed by continued end-user demand.

Ratings continue to derive strength from the company's strategic importance to the group and strategic partnership of its subsidiaries with esteemed global investors such as Mitsubishi Estate Company Limited and International Finance Corporation, part of World bank Group for its real estate projects.

Rating strengths are partially offset by project execution and saleability risks, with 71% of the project cost yet to be incurred, and a sizeable development pipeline. Inherent cyclical nature of the real estate sector remains a key risk factor.

CARE Ratings Limited (CareEdge Ratings) takes note of the business transfer agreement (BTA) executed with ITC to sell the paper and pulp business is expected to be completed by the end of CY25 for a total consideration of ₹3,498 crore. The company's progress of the transaction, deployment of sales proceeds, debt will remain monitorable.

**Rating sensitivities: Factors likely to lead to rating actions**
**Positive factors**

- Sustained growth in the group's bookings and collections, maintenance of healthy occupancy level in the leasing segment while maintaining robust financial risk profile.
- Improvement in residential segment debt to collections below 1.00x.

**Negative factors**

- Moderating financial risk profile of the company with significant un-envisaged increase in debt and lower-than-expected bookings and collections.
- Slow off-take in launched real estate inventory, time and cost overruns from envisaged timelines in ongoing real estate projects.
- Deterioration in the credit risk profile of Aditya Birla group.

**Analytical approach:** Consolidated

Consolidated approach considering strong operational and financial linkages between ABREL and its subsidiaries. CareEdge Ratings has considered notching by factoring linkages of ABREL with its parent, the Aditya Birla group, based on the nature and strength of linkages with the group. Subsidiaries consolidated are listed under Annexure-6

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Outlook: Stable**

Stable outlook reflects CareEdge Ratings' expectation for the sustenance of strong performance, marked by strong sales velocity, robust collections, low reliance on external debt, and strong liquidity. The expectation is attributable to the established brand image, supported by continued end-user demand in the real estate industry.

**Detailed description of key rating drivers:****Key strengths****Healthy cashflow from residential segment and satisfactory construction progress**

On a consolidated basis, ABREL sold an area of 50.2 lsf (FY24: 17 lsf) and further, in Q1FY26, it sold 3 lsf area in FY25. In FY25, ABREL reported presales of ₹8,087 crore (FY23: ₹3,985 crore) and collection of ₹2,706 crore (FY23: ₹1,323 crore). As on June 30, 2025, ABREL sold ~75% of the total launched project, demonstrating strong sales momentum. Of the total area sold, ~91% of the area is registered indicating minimal likelihood of cancellation aiding to the steady cash flow. This is expected to sustain in FY26 driven by robust project launch pipeline and likely healthy sales velocity in the upcoming launches, backed by continued end-user demand.

ABREL has ten projects under the execution phase, comprising residential projects on June 30, 2025. Of the total project cost, the company has incurred ~29% cost as on June 30, 2025.

**Stable lease income continues from commercial properties**

ABREL's two commercial properties, Birla Aurora and Birla Centurion, in Worli, Mumbai, have been almost fully leased out and generate stable lease rentals of ~₹130 crore annually. Both properties benefit from diversified and financially stable clientele (many of which are Aditya Birla group companies) and long-term lease contract with periodic escalations.

**Satisfactory financial risk profile**

The company being in growth phase has taken additional debt in FY25, resulting in overall gearing increasing to 1.29 x as on March 31, 2025 (FY 24:0.61x). The consolidated gross debt of ABREL stands at ₹5,065 as on June 30, 2025, and is expected to reduce debt by ~₹2000 crore once the BTA of paper and pulp business is completed thus overall gearing is expected to improve in the medium term.

**Experienced management and well-established brand in the real estate industry**

ABREL is promoted by the Aditya Birla group and is headed by Kumar Mangalam Birla, who is also its Chairman. The promoter and promoter group hold a 51.21% stake in the company as on June 30, 2025. The company's day-to-day operations are managed by a team of qualified and experienced professionals. Over the years, the company executed projects in the residential and commercial segments. As on June 30, 2025, the company has developed 11.84 lsf (saleable area) of space and 152 lsf (saleable area) is under implementation through its wholly owned subsidiaries and group companies.

**Key weaknesses****Project execution and saleability risk**

ABREL is exposed to execution and saleability risk 50% of the portfolio is at nascent stage, where less than 30% cost has been incurred. The execution risk is mitigated to a certain extent as all projects are progressing on time and promoters have bought in funds, when required. Saleability risk is mitigated to a certain extent as the sales traction has been intact and the same is observed in the sales traction of the three new projects launched. The risk is also mitigated to some extent by the established brand name, which has aided sales, track record of the group in timely completion of past projects in the commercial segment, and prudent project funding and development mix.

**Inherent risk associated with execution of large-scale projects amid cyclical nature of real estate industry**

ABREL has 10 projects in the execution phase, comprising residential projects on June 30, 2025. Of the total project cost, the company has incurred ~29% cost as on June 30, 2025. These projects are in Mumbai Metropolitan Region (MMR), National Capital Region (NCR), Bengaluru and Pune. There are around seven upcoming projects in these locations, including extensions or additional phases of ongoing projects. The company's operations are exposed to project execution risk and the inherent risk associated with the execution of large-scale projects for remaining part of the development. Demand of the real estate sector is linked to overall economic prospects of the country. Cyclicity associated with economic outlook, interest rates, and metal prices, among others, also render the real estate sector towards cyclicity.

**Liquidity: Strong**

ABREL has adequate liquidity with cash & cash equivalent of ₹1,403 crore (includes RERA balances of ₹631 crore) as on June 30, 2025, against total debt of ₹5,065 crore (at a consolidated level). It is part of the Aditya Birla group, having financial flexibility. The company executed a BTA with ITC Limited for the sale and transfer of the company's paper and pulp business for a consideration of ₹3,498 crore. The transaction is expected to be completed in ~6 months subject to shareholders and other regulatory approvals. Per the companies' investor call, it was informed by the company's management that it will be utilising the fund to pay off debt of ~₹2000 crore. The collection efficiency is healthy at over 90%. Liquidity is also supported by adequate buffer available in the form of unutilised working capital lines.

### Environment, social, and governance (ESG) risks

Parameter	Compliance and action by the company
Environmental	<p>ABREL is moving towards sustainability drive. Birla Century accelerated its yearly performance at Higg Index certification score. It is also aiming to improve energy savings through process optimisation and alternate energy.</p> <p>ABREL aims to optimise water usage across all business operations and strategise to achieve zero liquid discharge.</p> <p>ABREL is committed to reaching zero waste to landfill and gradually implementing waste reuse measures across all business segments</p>
Social	Prioritising Occupational Health and Safety (OHS) to prevent harm incidents and cultivate a secure working environment for employees and stakeholders. Of the value chain partners in ABREL, 8.83% were assessed for social aspects including sexual harassment, discrimination at workplace, child labour, forced/involuntary labour, and labour wages.
Governance	Over 50% of ABREL's Board comprises Independent Directors. ABREL follows robust compliances of all regulatory requirements, which is a characteristic of the Aditya Birla group.

### Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

Promoted by the late B K Birla, ABREL is part of the Aditya Birla group. ABREL was established in 1897 to operate a cotton textile mill in Mumbai. Subsequently, the company expanded and diversified its activities, and presently, ABREL is a well-diversified conglomerate engaged in manufacturing pulp and paper products, commercial and residential real estate with presence in top four Indian cities. ABREL manufactures a variety of paper products (such as multi-layer packaging board and tissue paper) with total installed capacity of 4.81 lakh MT per annum as on March 31, 2025. In FY18, the company had incorporated a wholly owned subsidiary, Birla Estate Private Limited (BEPL – rated 'CARE AA; Stable/CARE A1+'), to focus on the premium/ultra luxury residential real estate and commercial office spaces business.

### Consolidated

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income*	3831.82	1100.58	1218.88
PBILDT*	593.30	290.83	68.04
PAT	495.52	179.56	-148.04
Overall gearing (times)	0.26	0.61	1.29
Interest coverage (times)	17.34	9.74	1.49

A: Audited UA: Unaudited; Note: these are latest available financial results

\*Paper & pulp division business transfer agreement was executed on March 31, 2025. Revenues from these operations have not been included in the total operating income (TOI). FY24 amounts have been restated accordingly.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-Convertible Debentures	INE055A08060	August 30, 2025	8.55	Bullet repayment on maturity August 30, 2029	500.00	CARE AA; Stable
Commercial Paper	INE055A14KF7	August 07, 2025	7.10	October 06, 2025	400.00	CARE A1+
Commercial Paper	INE055A14KG5	August 07, 2025	6.75	October 06, 2025	100.00	CARE A1+
Commercial Paper	Proposed	-	-	-	500.00	CARE A1+

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Commercial Paper-Commercial Paper (Standalone)	ST	1000.00	CARE A1+	-	1)CARE A1+ (22-Aug-24)	1)CARE A1+ (28-Aug-23)	1)CARE A1+ (29-Aug-22)
2	Debentures-Non Convertible Debentures	LT	500.00	CARE AA; Stable	-	1)CARE AA; Stable (22-Aug-24)	-	-

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple

**Annexure-5: Lender details**To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Birla Estate Limited	Full	Wholly owned Subsidiary
2	Avarna Projects LLP	Full	Subsidiary of Birla Estates Private Limited
3	Birla Tisya LLP	Full	Subsidiary of Birla Estates Private Limited
4	Birla Arnaa LLP	Full	Subsidiary of Birla Estates Private Limited
5	Vypak Properties Private Limited	Full	Wholly owned subsidiary of Birla Estates Private Limited
6	Vibhavya Properties Private Limited	Full	Wholly owned subsidiary of Birla Estates Private Limited
7	Ekamaya Properties Private Limited	Full	Wholly owned subsidiary of Birla Estates Private Limited
8	Isira Realcon Private Limited (formerly known as Adyasha Properties Private Limited)	Full	Wholly owned subsidiary of Birla Estates Private Limited
9	Tarusa Properties Private Limited	Full	Wholly owned subsidiary of Birla Estates Private Limited
10	Unnatam Properties Private Limited	Full	Wholly owned subsidiary of Birla Estates Private Limited
11	Vardhita Properties Private Limited (formerly known as Birla Century Exports Private Limited)	Proportionate	(Joint Venture of Birla Estates Private Limited) (from 03.03.2025)
12	Birla Advanced Knits Private Limited	Proportionate	Joint Venture
13	CTIL Community Welfare Foundation	Full	Wholly owned Subsidiary

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Rajashree Murkute Senior Director <b>CARE Ratings Limited</b> Phone: +91-022-68374474 E-mail: <a href="mailto:Rajashree.Murkute@careedge.in">Rajashree.Murkute@careedge.in</a>
<b>Relationship Contact</b>  Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a>	Divyesh Bharat Shah Director <b>CARE Ratings Limited</b> Phone: +91-020-40009069 E-mail: <a href="mailto:divyesh.shah@careedge.in">divyesh.shah@careedge.in</a>
	Amita Yadav Associate Director <b>CARE Ratings Limited</b> Phone: +91-020-40009004 E-mail: <a href="mailto:amita.yadav@careedge.in">amita.yadav@careedge.in</a>

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