

Nahar Builders Limited

December 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	305.00 (Enhanced from 90.00)	CARE BBB; Stable	Reaffirmed
Long-term / Short-term bank facilities	40.00	CARE BBB; Stable / CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has taken a combined view of Nahar Builders Limited (NBL) and Nahar Builders (NB), considering business linkages, cash flow fungibility, presence in similar line of business, common management, and brand name for both entities.

Reaffirmation of the rating assigned to long-term bank facilities and the rating assigned to short-term bank facilities of NBL derives strength from the established brand presence of the 'Nahar' group in the Mumbai real estate market, particularly recognised for the development of the residential township 'Nahar Amrit Shakti' in Chandivali, Mumbai. The group also owns a huge land bank in the area, providing significant financial flexibility and scope for future projects. The rating also factors adequate liquidity position and moderately comfortable financial risk profile.

However, ratings remain constrained by implementation and saleability risk of recently launched projects, geographical concentration of its operations, and inherent cyclical risk associated with the real estate sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Launch of new projects and receipt of healthy bookings therefrom, leading to low reliance on debt, improvement in revenue visibility and coverage indicators.
- Successful completion of on-going projects and realisation of envisaged profits, leading to significant improvement in financial risk profile.

Negative factors

- Inability to achieve collection of ~₹400 crore by end of Q2FY27.
- Time overrun in execution of on-going projects by over six months from scheduled date of completion.
- Significant increase in debt levels leading to deterioration in the financial risk profile of the company.

Analytical approach: Combined

Change in analytical approach: In the earlier review, CareEdge Ratings had considered NBL's consolidated financial profile. NBL has now entered a joint development agreement (JDA) with one of its group concerns, NB, and has extended a corporate guarantee for the term loans availed by NB. Owing to operational linkages, cash flow fungibility,

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

presence in similar line of business, common management and brand name for both entities, combined approach is considered, where consolidated financials of NBL are combined with those of NB. Refer Annexure-6 for details.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that entities shall be able to sustain their credit risk profile in the medium term underpinned by its experienced and resourceful promoter group and established brand presence of 'Nahar' group in the Mumbai real estate market.

Detailed description of key rating drivers:**Key strengths****Experienced promoters with strong brand recall 'Nahar' in Chandivali real estate market**

Promoted by Sukhraj B. Nahar, the group has an established track record of around five decades in the real estate industry and has developed multiple residential and commercial projects measuring ~20 million sq ft majorly in Mumbai. Timely delivery of projects and quality construction have led to minimal inventory pile-up at the group level, marking a strong brand recall of 'Nahar' group in Mumbai real estate market. The group has developed a high-end residential township 'Nahar Amrit Shakti' in Chandivali, Mumbai. This project spans ~125 acres, having multiple residential towers, totalling ~6.3 million sq ft, with additional potential for future development.

Availability of sizeable land bank for future projects execution

Nahar Group has a sizeable land bank of ~25.67 acres in Chandivali, Mumbai, with an estimated market value of ~₹1,000 crore. The promoters acquired these land parcels at favourable prices, and through Nahar Builders Limited's focused development efforts in Chandivali, the market value of the group's land bank has grown substantially. The land holding offers significant financial flexibility and scope for planning new projects.

Moderate financial risk profile:

The combined entities' capital structure remained moderate marked by overall gearing of 1.46x as on March 31, 2025 and supported by a healthy net worth base of ₹368.73 crore against total debt of ₹538.64 crore. Total external debt remained low at ₹115.36 crore, while the balance was unsecured loans from the promoter group. A large part of net worth and unsecured loans is utilised towards acquisition of land and inventory.

NBL has two ongoing projects, Winterberry Towers & Plaza and Chandi Valley, of which Chandi Valley was launched in H1FY26 (refers to April 01 to September 30). NB has two ongoing projects, YUU LUNA and YUU NOVA, both launched in H1FY26. On a combined basis, entities launched three projects in H1FY26 with an aggregate project cost of ~₹1,275 crore.

Debt for two smaller projects has been tied up. However, for the large project, with a total cost exceeding ₹1,000 crore, debt is yet to be tied up. NBL plans to raise debt to fund ~20–25% of this project cost. Any significant increase in debt levels, leading to deterioration in the combined financial risk profile, will remain a key monitorable.

Key weaknesses

Implementation and marketing risk associated with the ongoing project

As on September 30, 2025, entities have four ongoing projects in Chandivali, Mumbai, with a total saleable area of ~6.24 lakh sq ft. Of these, three projects were launched in H1FY26 with ~17% of the cost incurred till September 30, 2025. The remaining project was launched earlier with ~64% of its cost incurred. The management has strategically deferred its sales launch and intends to sell the units at premium prices. Given the sizeable ongoing projects, the group remains exposed to inherent marketing, execution, and funding risks associated with project development. Timely execution and receipt of healthy booking advances will remain key rating monitorable.

Geographical concentration risk

All projects of the Nahar group are developed in Chandivali, a micro-market within Mumbai, Maharashtra. The geographical concentration of the projects exposes NBL's growth prospects to potential risk arising from micro and socio-political upheavals in the region. However, robust demand for housing in the city, driven by factors such as rising disposable income and growing preference for larger homes, is expected to sustain overall demand for real estate in the medium term.

Inherent cyclical nature of real estate Industry

The entities are exposed to cyclical nature associated with the real estate sector, which is closely linked to broader macroeconomic conditions, interest rates and level of disposable income available with individuals. Moreover, profitability of real estate companies significantly depends on property markets. A high-interest rate environment could deter consumers from borrowing to finance real estate purchases, dampening activity in the real estate market.

Liquidity: Adequate

The liquidity is adequate with free cash and bank balance of ₹27.89 crore as on September 30, 2025. Liquidity is also aided by low level of external debt owing to mandatory cash sweep of its collections towards existing debt, which has resulted in prepayment of project debt. Additionally, entities have access to undrawn limits exceeding ~₹110 crore. NBL has fund-based working capital limit with average utilisation of 69.63% in the last nine months ended October 31, 2025. Unutilised portion provides additional cushion. Committed receivables cover ~14% of balance project and debt commitments, and this ratio is expected to improve gradually with project progress.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[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
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated in 2011, NBL is the flagship company of the 'Nahar' group. The group develops residential and commercial projects primarily in Mumbai. Sukhraj Nahar, Promoter and Founder of Nahar group, has been engaged in real estate development through other group entities since 1973. Currently, 75% stake in NBL is held by Nahar and Bafna families and the balance 25% stake by the Yagnik family. As on September 30, 2025, NBL is executing two residential projects with a combined saleable area of 5.14 lakh sq ft. NBL has entered a joint development agreement with its group entity, Nahar Builders (NB), to develop two projects, one commercial and one residential, with a total saleable area of 1.10 lakh sq ft. NBL has a 20% revenue share in these projects.

Consequently, on the combined basis, the entities are developing four projects in Chandivali, Mumbai, aggregating to a total saleable area of 6.24 lakh sq ft, comprising residential and commercial projects.

Brief Financials (₹ crore) -Combined	March 31, 2024 (UA)	March 31, 2025 (UA)
Total operating income	136.53	88.07
PBILDT	8.04	4.68
PAT	2.86	0.63
Overall gearing (times)	1.42	1.46
Interest coverage (times)	0.98	1.00

Brief Financials (₹ crore) -NBL	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	136.41	87.77
PBILDT	7.91	2.30
PAT	0.92	0.67
Overall gearing (times)	1.36	1.35
Interest coverage (times)	0.97	1.03

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Bank Overdraft		-	-	-	40.00	CARE BBB; Stable / CARE A3+
Term Loan-Long Term		-	-	July 31, 2028	305.00	CARE BBB; Stable

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	Term Loan-Long Term	LT	305.00	CARE BBB; Stable	-	1)CARE BBB; Stable (27-Nov-24)	-	-
2	Fund-based - LT/ ST-Bank Overdraft	LT/ST	40.00	CARE BBB; Stable / CARE A3+				

LT: Long term; ST: Short term; LT/ST: Long term/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	Fund-based - LT/ ST-Bank Overdraft	Simple
2	Term Loan-Long Term	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
2	Nahar Excalibur Projects Private Limited	Full	Wholly owned Subsidiary of NBL
3	Poompuhar Real Estate Private Limited	Full	Wholly owned Subsidiary of NBL
4	Nahar Builders	Full	Operational and financial linkages

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.

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