

Aditya Birla Real Estate Limited

December 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	1,100.00	CARE AA; Stable	Assigned
Non-convertible debentures	250.00	CARE AA; Stable	Assigned
Non-convertible debentures	500.00	CARE AA; Stable	Reaffirmed
Commercial paper	1,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the long-term and short-term ratings of Aditya Birla Real Estate Limited (ABREL; formerly Century Textiles and Industries Limited) for its existing non-convertible debentures (NCDs) and commercial paper (CP) issuances. Further, CARE Ratings Limited (CareEdge Ratings) has assigned long term ratings to the company's bank facilities and proposed NCDs. Ratings continue to factor in healthy cash flows from the residential segment, satisfactory construction progress, stable lease income from commercial properties, and a comfortable financial risk profile.

On a consolidated basis, ABREL sold 50.2 lakh sq ft in FY25 (FY24: 17 lakh sq ft), registering a robust 198% year-on-year growth. Pre-sales increased to ₹8,087 crore (FY24: ₹3,985 crore), while collections improved to ₹2,706 crore (FY24: ₹1,323 crore). In Q2FY26, collections witnessed robust growth of 111% from Q1FY26, despite the absence of new launches, as the company sold ~80% of the launched area. Performance is expected to improve in FY26, supported by a strong launch pipeline and healthy sales velocity driven by sustained end-user demand.

Ratings also derive strength from ABREL's strategic importance to the Aditya Birla group and partnerships with reputed global investors such as Mitsubishi Estate Company Limited and International Finance Corporation (part of the World Bank Group), which enhance project credibility and funding flexibility.

However, rating strengths are partially offset by execution and saleability risks, given that ~70% of the project cost is yet to be incurred, and the company has a sizeable development pipeline. The inherent cyclicity of the real estate sector also remains a key risk factor.

CareEdge Ratings takes note of the Competition Commission of India's approval for the business transfer agreement (BTA) with ITC to sell the paper and pulp business for ₹3,498 crore. The transaction is expected to be completed by end-Q1FY27. Progress on this transaction, deployment of sale proceeds, and impact on debt levels will remain key 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.

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

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

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation of sustained strong operating performance, driven by healthy sales velocity, robust collections, low dependence on external debt, and strong liquidity. This expectation is supported by ABREL's established brand positioning and continued end-user demand in the real estate sector.

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

On a consolidated basis, Aditya Birla Real Estate Limited (ABREL) sold 50.2 lakh square feet (lsf) in FY25 (FY24: 17 lsf), reflecting strong growth driven by improved scale and demand traction. Sales moderated to 8 lsf in H1FY26 (H1FY25: 14 lsf), primarily due to the absence of new project launches. Sales momentum is expected to improve in FY26, supported by a robust pipeline of upcoming launches and sustained end-user demand.

In FY25, ABREL reported presales of ₹8,087 crore (FY24: ₹3,985 crore) and collections of ₹2,706 crore (FY24: ₹1,323 crore), indicating strong growth in scale and execution capabilities. As on September 30, 2025, ~80% of the launched area had been sold, reflecting healthy demand. Additionally, 91% of the sold area was registered as on June 30, 2025, reducing cancellation risk and supporting steady cash flow visibility.

Sales performance is expected to remain healthy in FY26, supported by a strong launch pipeline and continued end-user demand. As on September 30, 2025, ABREL had nine residential projects under execution, with ~33% of the total project cost incurred, indicating early-stage execution. This elevates execution risk but also provides significant headroom for revenue growth as construction progresses.

The company has a large land bank across Pune, Bengaluru, and Gurugram, with a strong presence in the Mumbai Metropolitan Region (MMR). Notably, ABREL is developing Birla Niyara in Worli on a 14-acre land parcel, with an estimated gross development value (GDV) of over ₹17,000 crore. The company also owns commercial assets in Worli, strengthening its asset profile.

The paper and pulp business housed under ABREL generated revenue of ~₹3,150 crore in FY25, with operating margins of 6–7%. The business has total debt of ~₹1,800 crore, which ABREL plans to refinance to clear asset-level charges in connection with the proposed BTA transaction.

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 ₹5,500 as on September 30, 2025, and is expected to reduce debt by ~₹2,000 crore once the BTA of paper and pulp business is completed thus overall gearing is expected to improve in the medium term. The company has availed bridge financing of ~₹1,800 crore, which will be serviced through consideration of ITC deal and remains key monitorable.

Stable lease income continues from commercial properties

ABREL's two commercial properties, Birla Aurora and Birla Centurion, in Worli, Mumbai, are nearly fully leased and generate stable annual rentals of ~₹130 crore. Both properties benefit from a diversified and financially strong tenant base, including several Aditya Birla group companies, and are backed by long-term lease agreements with periodic escalations.

Stable lease income is expected to continue in the near-to-medium term, supported by high occupancy levels, strong tenant profile, and contractual escalations. Against this, the company availed lease rental debt amounting to ~900 crore, which has been utilised towards business developments undertaken in subsidiaries.

Key weaknesses
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 September 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 September 30, 2025, the company has developed 25.11 lsf (saleable area) of space and 167.20 lsf (saleable area) is under implementation through its wholly owned subsidiaries and group companies.

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 nine projects in the execution phase, comprising residential projects on September 30, 2025. Of the total project cost, the company has incurred ~33% cost as on September 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 ₹726 crore (including RERA balances) as on September 30, 2025, against total debt of ₹5,500 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 by end-Q1FY27 subject to 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 ~₹2,000 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

Environmental	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. ABREL aims to optimise water usage across all business operations and strategise to achieve zero liquid discharge. ABREL is committed to reaching zero waste to landfill and gradually implementing waste reuse measures across all business segments.
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](#)
[Financial Ratios – Non financial Sector](#)
[Rating methodology for Debt backed by lease rentals](#)
[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, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income*	1100.58	1218.88	243.40
PBILDT*	290.83	68.04	-110.01
Profit after tax (PAT)	179.56	-148.04	-120.40
Overall gearing (x)	0.61	1.29	1.45
Interest coverage (x)	9.74	1.49	-0.23

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.

*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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	April-29	1100.00	CARE AA; Stable
Commercial Paper- Commercial Paper (Standalone)	Proposed	-	-	-	400.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE055A14KJ9	11-Nov-25	7.05	10-Feb-2026	400.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE055A14KK7	20-Nov-25	7.05	18-Feb-2026	200.00	CARE A1+
Debentures- Non Convertible Debentures		Proposed	Proposed	NA	250.00	CARE AA; Stable
Debentures- Non Convertible Debentures	INE055A08060	30-Aug-2024	8.55	30-Aug-2029	500.00	CARE AA; 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	Commercial Paper-Commercial Paper (Standalone)	ST	1000.00	CARE A1+	1)CARE A1+ (21-Aug-25)	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 (21-Aug-25)	1)CARE AA; Stable (22-Aug-24)	-	-
3	Debentures-Non Convertible Debentures	LT	250.00	CARE AA; Stable				
4	Fund-based - LT-Term Loan	LT	1100.00	CARE AA; Stable				

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	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender detailsTo 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.

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About us:

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