

Neighbourhood Estates

March 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	50.00	CARE B+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of Neighbourhood Estates (NE) continues to be constrained by early stages of project execution as the real estate regulatory authority (RERA) approval was received in October 2025 than the original envisaged time of Q1FY26. Consequently, the project sales are also low with NE yet to establish to sell the units at envisaged realization. The rating is also constrained by inherent saleability risks and the inherent cyclicity in real estate industry. These rating weaknesses are however, partially offset by its partners having an established track record in the business through other partnership firms and receipt of sanction of term loan from the lender.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely completion of the ongoing project with estimated project cost.
- 30% booking of the ongoing project within next 12 months at sales realization of more than Rs. 11,000/sft.

Negative factors

- Cost overruns or unforeseen delays in the completion of the project.
- Sales of less than 10% in next 12 months.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation of the firm being able to execute the project in timely manner backed by experience of partners in real estate.

Detailed description of key rating drivers:

Key strengths

Established track record of the partners in Real estate business:

NE is a partnership firm promoted by Mr. Pradeep S, Manohar Naidu (both as Managing Partners), K. Babu Naidu, Ramesh Babu V, and D. Lokeshwar Reddy. They are partners in other partnership firms, collectively known as the United Group (e.g. United Developers, United Sai Greenwoods, United Infrastructures, etc.). Five of them branched out to venture into the premium real estate development business with this firm. Each of the partners have a minimum real estate experience of 10 years having completed projects under the United Group tag such as United Meadows and United Highlands. The partners have built 5.36l sf of area and has under construction project of 13.6l sf.

Key weaknesses

Project is in Early Stages of Construction:

The project is presently in early stages of construction due to delay in approval of RERA approval which was previously estimated to be received in May 2025. Post approval, the term loan was sanction in January 2026. The timely bookings and estimated project cost will be a key monitorable

High concentration in Bengaluru residential market and exposure to inherent cyclicity in real-estate industry:

NE is exposed to concentration risk as its business is significantly dependent on the performance of the real-estate market, primarily in Bengaluru, where its entire ongoing and upcoming projects are located. Being a cyclical industry, real estate depends on macro-economic factors and the company's dependence on a particular geography further heightens such risk.

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

Liquidity: Stretched

Liquidity profile of NE is stretched marked by early stages of project execution and inherent execution and saleability risk associated with such projects. Term loan of Rs. 50 Crore has been sanctioned, and disbursement will begin in phases. Liquidity is highly dependent on the number of bookings.

Applicable criteria

[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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

NE is a partnership firm based in Bengaluru. The firm is into residential real estate development and has launched a premium villas project on 8.75 acres of land in Bommanahalli, Bengaluru.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	0.00	0.90
PBILDT*	0.00	0.00
Profit after tax (PAT)	0.00	0.00
Overall gearing (x)	0.64	0.51
Interest coverage (x)	1.00	1.00

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	December 2029	50.00	CARE B+; 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	Fund-based - LT-Term Loan	LT	50.00	CARE B+; Stable	1)CARE B+; Stable (01-Apr-25)	-	-	-

LT: Long 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-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

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

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