DS-Max Properties Private Limited

May 25, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	300.00	CARE BBB+; Stable	Assigned

[1]Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The rating assigned to DS-Max Properties Private Limited (DSM) reflects the management's long and established track record in the residential real estate market in Bengaluru, which has enabled the company to build a strong 'DS-Max' brand presence, primarily in the affordable housing segment. Over the years, the company has demonstrated an ability to complete projects within scheduled timelines. However, construction progress across projects remains satisfactory. CARE Ratings Limited (CareEdge Ratings) notes that the company has recently launched several larger-sized projects (exceeding eight lakh sq ft[lsf]), a segment in which it has had limited prior experience. Sales in some of these projects have been relatively slower, resulting in elevated unsold inventory levels. Receivable coverage remains satisfactory, with construction of ongoing projects largely supported by collections from completed projects, limiting reliance on debt and supporting the cash coverage ratio.

The rating is constrained by the company's high concentration in the Bengaluru market, exposing it to significant geographical concentration risk, and inherent cyclicality of the real estate sector. The company's ability to meaningfully reduce inventory overhang and ensure timely execution of ongoing projects will be critical rating monitorable going forward.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Unsold inventory level of less than 24 months and improving yearly collections above ₹800 crore p.a.

Negative factors

- Net debt to collection above 60%.
- Decline in sales velocity or collection efficiency, causing deterioration of liquidity.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the company's cashflows will be maintained with consistent sales and collection aided by timely completion of projects.

Detailed description of key rating drivers:

Key strengths

Long track record of operations

DSM has been in the residential real estate business for almost two decades in the affordable segment. As of March 31, 2026, the company has completed 94 residential projects, spread across 123 lsf of saleable area. The company has established a brand presence in Bengaluru, with projects spread across the city.

Satisfactory construction progress

As of March 31, 2026, the company incurred ~47% of the aggregate construction cost across its 12 ongoing projects involving total saleable area of 89.26 lsf. It is noteworthy that for 18 months ending March 31, 2026, the company launched six projects with total saleable area of 54.59 lsf, which is ~61% of total area under construction. The recent strategic expansion to execute

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

multiple large projects, simultaneously, marks a forward-looking approach to meet diverse customer needs. However, this has enhanced inherent execution and marketing risks associated with projects.

However, CareEdge Ratings notes that ~75% of the construction cost is expected to be funded through customer advances. Accordingly, the company's ability to ensure timely collections from sold inventory remains a key monitorable factor.

Key weaknesses

Sales velocity and receivables collection risk

As of March 31, 2026, the company has collected ~47% of the total sales value from sold inventory, with a committed receivables coverage ratio of 55%. However, sales velocity in certain large projects remains weak, as reflected in an elevated inventory overhang of over four years for all on-going projects taken together. The company's execution profile has shifted materially, with only three completed projects historically exceeding eight lsf., compared to six ongoing projects above this scale, indicating a significant move toward larger developments. While this reflects a strategic expansion, it also heightens execution and marketing risks. Debt levels have increased in FY26 in line with this scale-up. Although DSM maintains adequate liquidity, supported by internal accruals, favourable realisations, and unutilised bank lines, timely receivables collection and sustained sales momentum will be critical to preserving liquidity.

The practice of deploying surplus cash flows across projects increases the company's dependence on robust sales velocity and efficient collection cycles across its portfolio.

High concentration in Bengaluru residential market and exposure to inherent cyclicality in the real-estate industry

DSM's business significantly depends on the performance of real-estate market, primarily in Bengaluru, where its entire ongoing and upcoming projects are located. Being a cyclical industry, real estate depends on macroeconomic factors and the group's dependence on a particular geography further heightens such risk.

Liquidity: Adequate

The company's liquidity is adequate marked by consistent cash flows from its ongoing projects. As of March 31, 2026, the company has customer advance receivables of ₹743 crore and undrawn debt lines of ₹188 crore. Free cash and bank balances was ₹105 crore as on March 31, 2026. Balance construction cost to be incurred for ongoing projects is ~₹ 1200 crore as on March 31, 2026, reflecting satisfactory receivable coverage.

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

DSM is a Bengaluru-based company engaged in development of residential real estate projects. The group started its journey in real estate as a marketing partner for developers before switching to real estate development in 2007. The company has completed projects covering 123.38 lsf spread over 94 projects as on March 31, 2026. The company has a land bank of 36.85 lsf.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	408.92	496.21
PBILDT*	45.54	44.22
Profit after tax (PAT)	19.13	9.92
Overall gearing (x)	1.20	1.88
Interest coverage (x)	1.95	1.45

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: ICRA has placed the rating of DSM under 'Issuer not cooperating' vide its PR dated April 25, 2025, as the company did not provide requisite information.

Any other information: None

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 2027	62.00	CARE BBB+; Stable
Fund-based - LT-Term Loan				August 2029	82.50	CARE BBB+; Stable
Fund-based - LT-Term Loan				March 2030	102.00	CARE BBB+; Stable
Fund-based - LT-Term Loan				Proposed	53.50	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	300.00	CARE BBB+; Stable				

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

Annexure-6: List of facilities/instruments and FSR

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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