Powai Lake Residential Private Limited

July 14, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Non-convertible debentures	SEBI	250.00	CARE BBB-; Stable	Reaffirmed
Long Term Bank Facilities	RBI	275.00	CARE BBB; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities and reaffirmation of the rating for non-convertible debentures (NCDs) of Powai Lake Residential Private Limited (PLPL) continues to derive comfort from strong and resourceful promoters, having an established global track record in the real estate industry. In FY25, Sumitomo Corporation acquired a 90% equity stake in PLPL, establishing a joint venture with Hines. The rating also favourably factors the strategic location and financial closure achieved for the project.

However, rating strengths are partially offset by significant project execution and marketing risks, given the nascent stage of the project, the company expects to launch the project by October 2026. The company is also exposed to sector-specific challenges and inherent cyclicality associated with the real estate sector.

CARE Ratings Limited (CareEdge Ratings) notes that rated NCDs, subscribed by promoters, are structured on a payable-when-able basis and are subordinated to the construction finance debt. NCDs rating is constrained relative to the senior debt (long-term loan from bank) due to its lower priority with respect to meeting debt obligations in the rated bank loan tenor.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Satisfactory progress in the project without cost overruns.
- Healthy booking and collection against the envisaged collection on a sustained basis.

Negative factors

- Significant time or cost over-run in project implementation.
- Delay in bookings and realising collections leading to stress on cash flows.

Analytical approach: Standalone

CareEdge Ratings has factored linkages with promoters, Hines, and Sumitomo groups, given the strong managerial and financial linkages of the entity with promoters.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation of timely execution of project, considering promoters' extensive experience in the industry.

Detailed description of key rating drivers

Key strengths

Strong and resourceful promoters

PLPL is a joint venture, with 90% held by Sumitomo Corporation, Japan, and remaining 10% held by Hines. Hines will lead day-to-day development, including planning, designing, and execution, with Sumitomo contributing as a co-equity investor.

Sumitomo Corporation is one of Japan's leading trading and investment group with a strong credit profile and diversified presence across sectors, including real estate. It has a strong global footprint, with offices in over 60 countries and a consolidated workforce of over 75,000 employees (including group companies).

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

Hines is a globally renowned real estate investment and development firm with a strong track record across asset classes and geographies. As of December 31, 2025, Hines has a presence in 30 countries, with regional offices across North America, Europe, Asia-Pacific, and Latin America. The firm manages a real estate portfolio valued at over US$ 90 billion in assets under management (AUM), comprising residential, office, retail, industrial, and mixed-use developments.

Favourable location of the project

The project will be developed near Powai Lake, Mumbai. The property is in proximity to Mumbai Airport (~5-6 km). Powai has excellent connectivity to the city's suburbs. The Jogeshwari-Vikhroli Link Road (JVLR) runs through the area, and the Sakinaka metro station, and Kanjurmarg railway station are nearby. Powai's central location in Mumbai is a key factor in its property value appreciation. It is also close to business hubs, transportation networks, and educational institutions.

Project progress

The project, with an estimated cost of ₹1,361 crore (excluding interest on promoter-subscribed NCDs), has made steady progress, with ~₹265 crore (19% of total cost) incurred as of March 31, 2026, towards landowner deposits, approvals, and construction-related expenses. The project is expected to launch in Q3FY27.

The funding plan comprises promoters' contribution through equity and NCDs (24%), external debt (20%), and customer advances (56%). The company has already raised ₹211 crore through promoter-subscribed NCDs and ₹55 crore through equity till June 30, 2026. Additional funding requirement, if any, is expected to be supported by promoters through timely infusion of funds.

Construction finance of ~₹275 crore has been tied up through a mix of bank and non-banking financial company (NBFC) funding with a 60-month door-to-door tenor and a long moratorium period, providing adequate financial flexibility and supporting project execution.

Key weaknesses

Project execution and marketing risk

PLPL is developing a residential project in Powai, Mumbai, under a Joint Development Agreement (JDA). The proposed project has a saleable area of ~3.82 lakh square feet (PLPL's share: ~3.43 lakh square feet) and an estimated revenue potential of ~₹1,578 crore attributable to PLPL. The project is expected to be completed by FY30 or early FY31.

The total estimated project cost is ~₹1,361 crore (excluding interest on the promoter-subscribed NCDs). As on March 31, 2026, the company had incurred ~₹265 crore, primarily towards landowner deposits, statutory approvals, and construction-related expenses, representing ~19% of the total estimated project cost. The project is currently in the final stage of design development.

The project has received most of the key approvals under the original design. However, certain design modifications require the company to reapply for revised approvals, which are procedural in nature and are expected to be obtained in due course. Delays in securing these approvals could impact project execution timelines and defer the project launch and sales momentum, exposing the company to execution and marketing risks. Timely execution of project with envisaged sales momentum will be crucial from credit perspective.

Inherent risk associated with cyclicality of the real estate industry

PLPL remains exposed to inherent cyclicality of the real estate sector, which is closely linked to the overall macroeconomic environment, interest rate movements, and consumers' disposable income levels. The company's profitability and cash flow depend on performance of the residential real estate market. A sustained high-interest-rate environment could dampen homebuyer demand by increasing borrowing costs, adversely impacting sales velocity, cash flow generation, and overall project profitability. Accordingly, trends in the real estate market and interest rate environment will remain key credit monitorables.

Liquidity: Adequate

As on March 31, 2026, the company had cash and cash equivalents of ~₹1 crore. Liquidity is supported by recently tied-up construction finance and promoter support. The presence of a long moratorium period reduces near-term repayment obligations. However, liquidity depends on timely project launch and sales traction.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Factoring Linkages Parent Sub JV Group
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

Incorporated in July 2024, PLPL is engaged in the development of a premium residential and mixed-use project spanning approximately 3.4 acres in the Chandivali-Powai area of Mumbai, adjacent to Powai Lake, with an estimated saleable area of ~3.82 lsf. PLPL is a joint venture, with 90% held by Sumitomo Corporation, Japan, and remaining 10% held by Hines Powai Lake Member, which is ultimately owned by Hines, a US-based investment firm. Hines will lead day-to-day development, including planning, designing, and execution, with Sumitomo, contributing as a co-equity investor.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	0.00	0.00
PBILDT*	-1.21	17.13
Profit after tax (PAT)	-1.36	-3.45
Overall gearing (x)	3.81	4.62
Interest coverage (x)	-7.96	0.83

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: refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures	SEBI	Complex	INE17UL08039	28-Mar-2025	10	31-Mar-2035*	185.00	CARE BBB-; Stable
Debentures-Non Convertible Debentures	SEBI	Complex	INE17UL08047	04-Apr-2025	10	31-Mar-2035*	15.00	CARE BBB-; Stable
Debentures-Non Convertible Debentures	SEBI	Complex	INE17UL08054	02-Sep-2025	10	31-Mar-2035*	11.00	CARE BBB-; Stable
Debentures-Non Convertible Debentures	SEBI	Complex	Proposed	-	-	-	39.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-03-2031	275.00	CARE BBB; Stable

*If due date is not a business day, the immediately preceding business day shall be considered to be the due date.

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	Debentures-Non Convertible Debentures	LT	200.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (18-Jul-25)	1)CARE BBB-; Stable (30-Sep-24)	-
2	Debentures-Non Convertible Debentures	LT	50.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (18-Jul-25)	-	-
3	Fund-based - LT-Term Loan	LT	275.00	CARE BBB; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: 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.

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