# LML HOMES LLP

September 03, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long Term Bank Facilities | RBI | 220.00 (Enhanced from 110.00) | CARE BB+; Stable | Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B+; Stable |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had placed the rating of LML Homes LLP (LML) under the 'issuer noncooperating' category, vide its press release dated February 09, 2026, as LML had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. The company has now cooperated to undertake the review.

Rating assigned to the bank facilities of LML is constrained by moderate capital structure, execution risk associated with ongoing projects, inherent cyclicality and intense competition in real estate industry. However, ratings derive strength from long track record of operation of the group and improving and sales collections in the ongoing projects.

## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors

- Healthy execution of ongoing projects and better than envisaged deleveraging of projects leading to debt to collections below 0.50x.

### Negative factors

- Significant delays in ongoing projects leading to slowdown in sales momentum
- Moderation in collections/ delay in realisation of customer advances on a sustained basis

## Analytical approach: Standalone

## Outlook: Stable

Stable outlook reflects that the entity is likely to benefit from the experience of the promoters in the real estate sector to complete the ongoing projects.

## Detailed description of key rating drivers

## Key weaknesses

### Execution risk owing to ongoing project portfolio

LML is executing three residential projects namely League one, Sky Living and Luxe one with aggregate project cost of approximately ₹497 crore. Luxe One, with 4.48 lakh sq ft of saleable area, is the group's largest project to date. While aggregate construction progress remains satisfactory at 53%, the pending construction cost of around ₹231 crore and committed receivable coverage of 26% expose the company to execution and cost-overrun risks inherent in real estate development, as well as dependence on sales of unsold inventory. However, undrawn project debt of ₹132 crore and moratoriums during the construction period provide near-term liquidity support for project execution.

### Moderate capital structure

Overall gearing remained moderate at 2.83x as of March 2026. Total debt of ₹139.92 crore as of March 31, 2026, included ₹48.24 crore of unsecured loans from promoters and relatives, which have no fixed repayment terms. LML had also extended ₹21.76 crore in loans and advances to group entities as of March 31, 2026. Adjusting for net unsecured promoter funding, gearing stood at 2.30x. The capital structure is expected to remain moderate, with the company expected to utilise undrawn project debt to fund ongoing construction. However, ₹30 crore of promoter infusion in Q1FY27, scheduled debt repayments of around ₹25 crore and profit accretion from ongoing projects are expected to support leverage.

[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.

**Susceptibility to real estate sector risks**
The firm remains exposed to regulatory changes, customer demand fluctuations, execution risks, interest rate movements and competitive intensity in the residential real estate sector. The company's ongoing projects are also concentrated in the Kattupakkam region of Chennai, resulting in geographical concentration risk.

## Key strengths

**Established track record of promoters in Chennai residential real estate market**
The promoters have an established presence in the Chennai residential real estate market through the successful development and delivery of multiple residential projects over the past two decades. The group has completed over 40 residential projects comprising around 9.6 lakh square feet of saleable area across Chennai. Promoters continue to support in the form of equity and unsecured loans helping the company to maintain construction progress across the projects ahead of sales. In Q1FY27, partners infused equity of ₹30 Crores.

**Improving sales momentum and satisfactory construction progress**
LML has three ongoing projects aggregating 8.13 lakh sq ft of saleable area, which were 53% complete against 28% sold as of June 2026. While cumulative bookings and collections remained moderate at ₹166.55 crore and ₹58.69 crore, respectively, 42% of sales and 45% of collections were generated during the four months ended June 2026, indicating improving sales momentum and collection efficiency. LML Sky Living and LML Luxe One, launched in February 2025 and March 2026, respectively, account for 82% of the ongoing saleable area. Luxe One achieved 19% sales within four months of launch, with construction progress at 45%, while Sky Living, the group's first high-rise project, reached 13% sales with 65% construction progress. The older LML League One was 74% sold, indicating improved sales absorption as projects mature. Overall, construction progress remains ahead of sales, providing execution visibility while the recent improvement in sales and collections supports the demand outlook.

## Liquidity: Stretched

Liquidity is stretched marked by low committed receivable coverage of 26%. As of June 2026, committed receivables stood at ₹107.68 Crores against pending cost of ₹231.50 Crores and debt outstanding of ₹106.15 Crores as of June 2026. LML has minimal free cash and bank balance of ₹3.77 Crores as of July 2026. Liquidity derives comfort from the continued promoter support and undrawn project debt of ₹132 cr in addition to the revenue potential of ₹512 crores from the unsold inventory.

## 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
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 |

LML Homes LLP, incorporated on 6 July 2016 in Chennai, is the real estate development arm of the LML Group, engaged in residential and commercial property development, land acquisition, and housing projects. Led by the Kothari family, the firm has built a strong reputation for quality construction, timely project execution, and customer-centric practices. Since the launch of its construction activities, the group has successfully completed 43 projects covering approximately 9.59 lakh sq. ft.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | March 31, 2026 (UA) |
|---|---|---|---|
| Total operating income | 36.93 | 34.82 | 53.33 |
| PBILDT* | 2.74 | -2.12 | 4.79 |
| Profit after tax (PAT) | 2.37 | 0.84 | 2.56 |
| Overall gearing (x) | 0.94 | 2.35 | 2.83 |
| Interest coverage (x) | 0.53 | 4.04 | 0.87 |

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:**
CRISIL continues to categorize rating assigned to the bank facilities of SSIL under non-cooperation category vide PR dated November 13, 2025, on account of its inability to carry out a rating surveillance in the absence of the requisite information from the company.

Acuité continues to categorize rating assigned to the bank facilities of SSIL under non-cooperation category vide PR dated June 23, 2026, on account of its inability to carry out a rating surveillance in the absence of the requisite information from the company.

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**For complexity level of instruments rated refer to Annexure-1**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of the regulators:**
A list of facilities / instruments falling under the purview of various 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 |
|---|---|---|---|---|---|---|---|---|
| Fund-based - LT-Term Loan | RBI | Simple | - | | - | 30-06-2030 | 220.00 | CARE BB+; 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 | 220.00 | CARE BB+; Stable | - | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (09-Feb-26) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING* (17-Dec-24) | 1)CARE BB+; Stable (22-Nov-23) |

*Issuer did not cooperate; based on best available information.
LT: Long term

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

## Annexure-4: Lender details

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|---|
| 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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**About us:**
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



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