

Peninsula Land Limited

July 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	-	-	Reaffirmed at CARE BB+; Stable and Withdrawn

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

CARE Ratings Limited (CareEdge Ratings) has reviewed and withdrawn the rating of 'CARE BB+; Stable' outstanding on bank facilities of Peninsula Land Limited (PLL) with immediate effect. This action has been taken at the request of the company and based on the 'No Objection Certificate' received from lender(s) that have extended facilities rated by CareEdge Ratings, in accordance with CareEdge Ratings' policy on withdrawal of ratings.

The rating continues to remain constrained by the entity's high tenant concentration risk with the entire leasable area being occupied by only two tenants, the top tenant accounting for over 70% of the total monthly rentals and agreement rollover risk with both existing lease agreements expiring in August 2026. There have been instances of delay in receipt of monthly rentals from the tenants and delay in rollover of lease agreements with revised rentals putting pressure on cash flows. However, the rating continues to factor in experienced promoters, favourable location of the leased property, presence of debt service reserve account (DSRA), escrow mechanism, and established track record of full occupancy levels with reputed tenant base.

CareEdge Ratings notes that the company has redeemed the ₹150 crore optionally convertible debentures in full in December 2025, following the receipt of redemption notice from debenture holders. This redemption was partly financed by redemption of investment in non-convertible debentures of ₹112.5 crore and the balance ₹27.5 crore from internal accruals and liquid funds. PLL has fully provided for its entire exposure of ₹102 crore in Peninsula Holdings and Investments Private Limited (PHIPL) in Q4 FY27 owing to uncertainty around its recoverability due to the initiation of corporate insolvency resolution proceedings (CIRP) against Hem Infrastructure and Property Developers Private Limited (HIPDPL), a JV where PLL holds investments through PHIPL, following the invocation of corporate guarantee given by HIPDPL towards loans of ₹266.3 crore to M/s. Hem-Bhattad (AOP), pursuant to order dated July 14, 2025 passed by the National Companies Law Tribunal (NCLT). The National Companies Law Appellate Tribunal (NCLAT) quashed PHIPL's appeal via order dated October 29, 2025, and its appeal has been filed before the Supreme Court of India. While this is not likely to have material liquidity impact on PLL, as PLL has not given corporate guarantee to any of its subsidiaries or step-down subsidiaries, as confirmed by the management, cash outflow towards the JV could further stretch the company's liquidity and remains a monitorable. The company has also written off investments worth ₹40 crore, which has impacted the company's net worth and capital structure.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectations that PLL will maintain adequate debt coverage metrics and liquidity buffer to service its repayment obligations backed by healthy revenue visibility and full occupancy of its leased-out property.

Detailed description of key rating drivers:

Key weaknesses

Leveraged capital structure

PLL's capital structure continues to remain leveraged owing to the sizeable outstanding lease rent discounting debt against significant erosion of the net worth base with losses on business operations and write-off of investments in group entities as indicated by overall gearing at 6.80x as on March 31, 2026, against 2.19x as on March 31, 2025. Debt coverage indicators moderated significantly in FY26, considering continued losses owing to delay in recognition of revenue from real estate segment and additional costs incurred against the ongoing legal hurdles. The profit before interest, lease rentals, depreciation and taxation (PBILDT) interest coverage ratio stood below unity in FY26.

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

Subdued performance of real estate segment and continued losses in FY26

PLL recognises revenue on completed contract method (CCM) post receipt of occupancy certificate (OC) and handover of possessions. As the OC is received in different quarters, there is a fluctuation in the scale of operations. In FY26, the company reported significant decline in scale of operations due to lower revenue from real estate segment owing to delay in receipt of OC and consequent delay in revenue recognition. This and higher operating expenses and additional costs incurred against ongoing legal cases (in the form of legal expenses and impairment) resulted in continued net losses of ₹153.7 crore in FY26 compared to losses of ₹25.27 crore in FY25.

Tenant concentration risk and renewal risk

PLL is susceptible to tenant concentration risk with only two tenants occupying 100% of the total leased out area. The company also remains susceptible to agreement renewal risk with all existing lease agreements expiring in August 2026 (agreement tenure is usually for three years). However, given the tenants being government companies and PLL having long track record of leasing the property to these tenants over five decades, credit and revenue risks are mitigated to some extent.

Key strengths**Strategic location of the leased property**

Parel is one of the commercial hubs in Mumbai with a sizeable number of government offices, private offices, and MNCs, resulting an average rate is over 30,000 per square feet. 'Piramal Chambers' is in Lalbaug, Parel, which is at a distance of less than 1 km from Lower Parel Railway station. The location is well-connected through roadways and railways.

Presence of escrow mechanism and DSRA

PLL has leased out its property 'Piramal Chambers' at Lalbaug, Mumbai, to two tenants in lieu of monthly lease rentals and the company has availed the lease rental discounting (LRD) facility. The entire cash inflow consisting of lease rentals (including parking charges and maintenance charges) generated from the property, is being routed through a designated escrow account maintained with the lender, which prevents fund leakages as the bank does not allow withdrawal of surplus rental income before settlement of the monthly repayment obligation. The company has maintained DSRA of ₹10.12 crore (equivalent to three months' debt servicing obligation) by fixed deposit with the bank, which provides added security in relation to its repayment obligations.

Reputed tenants base

The company has leased out 100% of its total leasable area of 1.30 lakh square feet (lsf) as on March 31, 2026. There are only two tenants at the property which are government entities such as Income Tax Department (CBDT) and GST Department. The contract's tenure with the Income Tax Department and GST Department is for three years with rent escalation upto 8% per annum and 15%, respectively, at the time of renewal. The said tenants have occupied the property for over five decades. Thus, CareEdge Ratings expects the company to maintain full occupancy level in the near-to-medium term as well, although it remains exposed to risks arising from delays in dealing with government, regulatory changes, and tenant concentration.

Liquidity: Stretched

The company had free cash and liquid investments worth ~₹24 crore as on March 31, 2026. PLL has a scheduled monthly rental income of ~₹3.91 crore sufficient to meet the monthly interest and principal repayment obligation aggregating ₹2.94 crore. Significant delays in receipt of lease rentals from tenants may result in moderation in liquidity.

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](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Rating methodology for Debt backed by lease rentals](#)

About the company and industry

Industry classification

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

Incorporated in 1871, PLL is the real estate (RE) development arm of Ashok Piramal Group. The company is primarily engaged in developing residential and commercial RE projects. It has leased out a property in Parel, Mumbai, to two government tenants since 1970. The company has 23 subsidiaries (including seven direct and 16 step-down subsidiaries), six JVs, and one associate company as on March 31, 2025. Till FY25, the company has developed and delivered total area of 11.82 million square feet (msf) of 15 RE projects across Mumbai, Pune, Bengaluru, and Goa.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Abridged)
Total operating income	241.65	141.25
PBILDT*	20.48	11.09
Profit after tax (PAT)	-25.27	-153.68
Overall gearing (x)	2.19	6.80
Interest coverage (x)	0.56	0.24

A: Audited; 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 (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	-	-	-	March 2039	0.00	Withdrawn

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	-	-	1)CARE BB+; Stable (01-Jul-26)	1)CARE BB+; Stable (24-Nov-25) 2)CARE BBB-; Stable (09-Jul-25)	1)CARE BBB-; Stable (27-Nov-24)	-

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 detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of facilities/instruments and FSRs**

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 ~	-

²SEBI: 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

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual 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 rating notes subsequent to issuance(s), CARE Ratings Limited 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.

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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