Press Release

September 05, 2025

ELAN LIMITED
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	350.00	ACUITE BBB- | Stable | Reaffirmed	-
Total Outstanding	350.00	-	-
Total Withdrawn	0.00	-	-

Rating Rationale

ACUITE has reaffirmed its long term rating of **'ACUITE BBB-' (read as ACUITE triple B minus)** on the bank facilities of Rs.350.00 Crore of Elan Limited. The outlook is **'Stable'.**

Rationale for Rating

The reaffirmation in rating is primarily based on the company's steady sales velocity which is inflated by sold units and growth in customer advances. leading to improve cash flows. Due to its presence in both commercial and residential real estate, the company's diverse portfolio reduces the risk associated with any one industry. Group has already sold approximately 83% of the inventory for all launched projects. Collection efficiency from already sold inventory will remain rating sensitivity factor. Rating continues to reflect the company's healthy business risk profile supported by healthy booking and customer receipts for the on-going project and comfortable debt-service coverage ratio (DSCR). These strengths are partially offset by project risk associated with few projects wherein the construction is at an initial stage of execution, geographical concentration in revenue, and exposure to risks from cyclicality in the real estate sector. Acuite believes that company will continue to benefit from its established market position in the Gurugram region and limited funding & demand risk. However, the collection efficiency for the individual projects and optimum utilization of funds will remain key rating sensitivity.

About the Company

Incorporated in 2013 Elan Limited is based in Gurugram. The company is engaged in Real estate construction activities. The directors are Mr. Ravish Kapoor, Mr. Akash Kapoor and Mr. Gaurav Khandelwal.

About the Group

Elan Avenue Limited

Incorporated in 2007, Elan Avenue Limited is based in Gurugram. The Company is engaged in the Real Estate Industry. The directors are Mr. Ravish Kapoor, Mr. Akash Kapoor and Mr. Gaurav Khandelwal.

Elan Imperial Private Limited

Incorporated in 2008 Elan Imperial Private Limited is based in Gurugram. It is a part of Elan Group and is into the business of real estate development. The directors are Mr. Ravish Kapoor, Mr. Akash Kapoor and Mr. Gaurav Khandelwal.

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

•Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the financial and business risk profile Elan Limited and its fully owned subsidiaries, Elan Avenue Limited and Elan Imperial Private Limited collectively reffered as the Elan Group all have common management and similar line of business.

Key Rating Drivers

Strengths

Experienced promoters with established track record of operations

Elan Group is promoted by Mr. Ravish Kapoor, Mr. Akash Kapoor and Mr. Rakesh Kapoor, Mr. Ravish Kapoor has been

overseeing sales and marketing of the company and Mr Akash Kapoor is responsible for group's operations across the finance and administrative verticals. They have been in the real estate business for more than 15 years, and their extended market presence has aided the business in building strong client relationships. The promoters have a wealth of knowledge in the micro market because the group has completed several commercial projects in the Gurugram area in the past. The group is planning to launch 7 news projects with the total cost of Rs. 6443 Cr. approx. Upcoming projects will majorly be funded from internal accruals limiting the funding risk.

Healthy booking progress and customer advances.
The group has achieved healthy sales in respective project, out of the total assets which the group currently has, 83% of the same is already sold wherein, the company has received 30% advances from the customers. There has also been an ample flow of advances from sold commercial and residential properties. An adequate sales velocity gives sustained cash flow visibility. However, the group has collected 30.78% of total sales value as against construction progress of 29.33% as on 31st July 2025 indicating low collection efficiency and the same needs to be monitored. The group is expected to receive healthy surplus from receivables from the respective projects also from customer advances to be received (both tied up and future sales) which is expected to be adequate to support the remaining construction of all ongoing projects in the group.

Comfortable Debt Service Coverage Ratio
The project under development is funded by a combination of debt, customer advances and promoter funds. The group's high cash flow coverage ratio throughout the projections indicates that it is expected to have enough cash flow to fulfil its debt commitments. The overall cash flow for the group seems sufficient.

Weaknesses

Exposure to Execution risk and Funding Risk

- The group is undertaking construction of residential and commercial Project wherein at group level 29.33% of the project is completed as on July 2025 and balance is yet to be built, hence it is exposed to implementation risk.
- The liquidity generated from already completed project and presence of fund fungibility across all the projects mitigates the funding risk to a certain extent however, any delay or slow progress in collection from customers will result into additional borrowing and hence the collection efficiency needs to be closely monitored.

Susceptibility to Real Estate Cyclicality and Regulatory Risks
The real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. Given the high level of financial leverage, the high cost of borrowing prevents the real estate's developers' from significantly reducing prices to boost sales growth. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

The company is required to maintain DSRA for three months of debt obligation.

ESG Factors Relevant for Rating

ELAN Group demonstrates a strong commitment to ESG principles by integrating sustainability into its core business. Environmentally, the company focuses on green building practices, waste management, and the use of treated water. Socially, the Elan Foundation actively works to uplift communities through health, education, and disaster relief initiatives. The company also prioritizes employee well-being, fostering a safe and growth-oriented work environment. Strong corporate governance ensures transparency and ethical conduct, creating a framework for long-term value creation for all stakeholders, including the community and the environment.

Rating Sensitivities

- Movement in cash inflows, supported by healthy bookings.
- Movement in DSCR
- Any delays in completion of the ongoing project impacting the liquidity profile.
- Drawdown of more-than-expected debt or cost overrun in the residential and retail commercial building impacting the financial risk profile

Liquidity Position

Adequate
Supported by the healthy sales velocity and healthy receipt of customer advances for its projects, company currently has adequate liquidity. Furthermore, the company is expected to generate healthy surplus over medium term. The group has a comfortable expectation of DSCR in the range of 3 to 4 times from FY26 to FY29. Group is maintaining DSRA for the amount equivalent to three-month principal and interest supporting the liquidity.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	283.87	359.61
PAT	Rs. Cr.	26.26	0.21
PAT Margin	(%)	9.25	0.06
Total Debt/Tangible Net Worth	Times	(2.82)	(1.85)
PBDIT/Interest	Times	5.02	0.77

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any Other Information

None

Applicable Criteria

• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Real Estate Entities: https://www.acuite.in/view-rating-criteria-63.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Aug 2024	Proposed Long Term Bank Facility	Long Term	333.00	ACUITE BBB- | Stable (Reaffirmed)
	Term Loan	Long Term	17.00	ACUITE BBB- | Stable (Reaffirmed)
30 Jul 2024	Term Loan	Long Term	17.00	ACUITE BBB- | Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	333.00	ACUITE BBB- | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	90.00	Simple	ACUITE BBB- | Stable | Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2028	250.00	Simple	ACUITE BBB- | Stable | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	27 Jul 2023	Not avl. / Not appl.	15 Jan 2027	10.00	Simple	ACUITE BBB- | Stable | Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
1	ELAN Limited
2	ELAN Avenue Limited
3	ELAN Imperial Private Limited

Contacts

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About Acuité Ratings & Research

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