# PS Group Realty Private Limited

April 08, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 28.60<br>(Reduced from 102.00) | CARE A; Stable | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Reaffirmation in the rating assigned to bank facilities of PS Group Realty Private Limited (PSGRPL) derives strength from rich experience of the promoters with established brand image of PS Group in the real estate market of Kolkata, efficient project execution capabilities and association with renowned architects and consultants. The rating also factors in satisfactory sales and collection in the ongoing projects, satisfactory capital structure with moderate reliance on external debt for funding of projects and adequate liquidity. The rating also draws comfort from favourable location of projects with major regulatory approvals in place for the ongoing projects and joint venture (JV)/ joint development agreement (JDA) model, leading to an asset light model and providing steady cash flow visibility in the near-to-medium term.

However, the rating is constrained by project execution risk, high reliance on customer advances and high exposure in group entities. The rating is also tempered by exposure to execution and marketing risks from significant upcoming projects in pipeline, risk of geographical concentration and highly fragmented real estate industry.

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

### Positive factors

- Improvement in overall gearing to below 0.30x on a sustained basis.
- Annual collection of ₹500 crore and above.
- Inventory hangover (number of months required to sell unsold inventory, given trailing 12 months average sales trend) to remain at or below 18 months on a continued basis.

### Negative factors

- Substantial delay in booking of flats, impacting project progress and collections.
- Maintenance of overall committed receivable to cover balance project cost and outstanding debt at 50% or below for projects which have been launched two years ago.
- Higher-than-anticipated land investments resulting in increase in debt levels other than envisaged, on a sustained basis.
- Gross debt/annual collections to remain below 0.80x, on a sustained basis.

## Analytical approach: Consolidated

CARE Ratings Limited (CARE Ratings) has changed the analytical approach from standalone to consolidated as a sizeable number of projects are ongoing in subsidiaries/JVs. Entities consolidated with PSGRPL is listed under **Annexure-6**.

## Outlook: Stable

The outlook is expected to remain stable, given the good brand recall of PS Group in the Kolkata real estate market and satisfactory sales and collection exhibited in ongoing projects.

## Detailed description of key rating drivers:

### Key strengths

**Experienced promoters with established brand image of PS Group in Kolkata real estate market**

PS Group was founded by Pradip Kumar Chopra and Surendra Kumar Dugar, who are among the top reputed real estate developers in Kolkata with over three decades of experience in the real estate sector. The group has been felicitated with number of awards/accreditations for their contribution towards the industry. PSGRPL is the flagship company of the group, incorporated in 1988. The group has completed real estate projects in the last three decades, aggregating over 200 lakh square feet (lsf) of construction under special purpose vehicles (SPVs). Projects implemented by the group have received satisfactory response and good market price due to apposite pricing of properties with good quality, timely execution, and availability of modern amenities.

**Efficient project execution capabilities and association with renowned architects and consultants**

The group has satisfactory execution capabilities corroborated from projects delivered in the past. The group is associated with renowned architects, contractors and consultants who have proved their mettle in the field, and few also have international presence in their field of specialisation. The company also has a dedicated in-house marketing team consisting of qualified professionals to target its customers. Strong brand image, construction quality and efficient marketing strategies have enabled the company to witness quicker bookings and fund major part of the cost through customer advances.

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

**Major regulatory approvals already in place for ongoing projects**
PSGRPL currently has four ongoing projects in its own books and five projects through SPVs (mostly in partnership with other real estate players). The company has received all major approvals from appropriate authority(s), which includes police department, airport authority, urban land ceiling, height clearance, water, electricity, fire & emergency, environmental clearance.

**Favourable location of projects with all modern amenities**
The ongoing residential projects are coming up in areas, which are easily accessible and are in the proximity to grocery stores, hospitals, educational institutes, shopping malls, tourist attractions and railway/metro stations and other basic and essential requisites. Ongoing residential projects are equipped with all modern facilities/amenities including clubhouse with gymnasium, indoor games, banquet hall, swimming pool among others.

**Satisfactory sales and collections**
There are eight ongoing residential projects (having total saleable area of 45.32 lsf (including 'Sansara', which was launched for sale in October 2024 and sales/collection data has been considered till January 31, 2025). PSGRPL has sold 29.96 lsf (66.11% of total saleable area) till November 30, 2024, at a sale consideration (including EDC) of ₹2972.53 crore (PSGRPL's share-₹1268.51 crore) and collected ₹1303.38 crore (PSGRPL's share-₹402.23 crore) till November 30, 2024. Majority ongoing projects have been launched in the last two years and sales velocity of these projects has been satisfactory. PSGRPL has received good response in two of projects, Sansara and Vaanya (accounting for 58% of total saleable area), where the company has already sold ~94% and 45% of total saleable area till November 30, 2024, and January 31, 2025, respectively. Coverage ratio (committed customer advances to balance project cost+ outstanding debt) of the ongoing projects stood at 56.06%. Inventory hangover for all ongoing residential projects stood at 26 months against balance construction period ranging from 10 months to 60 months. Excluding recently launched projects such as Jade Grove Phase 2 and Sansara (launched in September 2024 and October 2024 respectively), inventory hangover stood at 11 months.

**Satisfactory capital structure with moderate reliance on external debt for funding ongoing projects**
The company's capital structure stood satisfactory marked by overall gearing of 1.44x as on March 31, 2024, (1.47x as on March 31, 2023). The company has got sanction of ₹514.75 crore of construction finance loan for funding its ongoing projects which accounted for ~23.40% of total estimated project cost of ₹2200 crore. Till November 30, 2024, the company has taken disbursement of ₹186.37 crore (including ₹100 crore for Sansara availed till January 31, 2025) and has repaid ~₹10 crore (includes ₹4.17 crore of Sansara loan repaid till January 31, 2025).
In case of completed projects, PSGRPL sold receivable of ~₹34 crore and unsold inventory of ~₹133 crore and outstanding debt of ₹60.32 crore as on November 30, 2024. Outstanding construction finance loan in completed projects stood at ₹20.67 crore (Reserve- ₹18.24 crore, One 10 Phase 2- ₹2.43 crore) as on November 30, 2024, against which, the company has repaid ₹18.24 crore of 'Reserve' loan and ₹0.37 crore of One 10 Phase-2 loan till February 2025. The company had also availed inventory funding of ₹50 crore against unsold inventory of completed projects (Abacus, Anassa and Jiva Homes) having outstanding balance of ₹39.65 crore as on November 30, 2024.

## Key weaknesses

**Project execution risk**
PSGRPL has expended ₹662.57 crore (30.11% of the total project cost of ₹2200.24 crore) till November 30, 2024. Given majority projects were launched in the last two years, the construction progress is moderate in most of the project. Although construction progress is slower in Vaanya in the last one year (expended ~19% of project cost), however, the management has articulated that it is expected to pick up pace going ahead. In case of recently launched projects such as Sansara and Jade Grove Phase-2, the company has expended only 19% and 11% of total project cost till January 31, 2025, and November 30, 2024 respectively.
Given the group's brand image in Kolkata real estate market, and successful track record of the PS group in execution of real estate projects in the past, mitigates risk attached to successful and timely completion of these on-going projects to a certain extent.

**High reliance on customer advances**
The total estimated project cost of ₹1919.87 crore (excluding PSGRPL's estimated cost of ₹280.13 crore for commercial project in Patna, which is funded through promoter contribution and debt) is majorly proposed to be financed through customer advances. Customer advances account for ~75.31% of total estimated cost of ongoing residential projects exhibiting high reliance on customer advances. Good brand recall of PS group in Kolkata real estate market and good response received on launch of projects, mitigates risk of high reliance on customer advances to a certain extent.

**High exposure in group entities**
PSGRPL has extended support to its group entities/ partnership concerns in the form of investments and loans & advances for implementation of real estate projects. PSGRPL's aggregate exposure in its group entities stood at ₹59.56 crore (Investments- ₹13.59 crore and loans & advances-₹45.97 crore) as on March 31, 2024, against ₹66.35 crore (Investments- ₹12.28 crore and

loans & advances- ₹54.07 crore) as on March 31, 2023. Of the total loans and advances of ₹45.97 crore, ₹44.18 crore pertains to investments in current accounts with partnership firms and LLPs.
This apart, the company has also extended corporate guarantees to group entities, where guarantees are not joint and several and PSGRPL is liable to the extent of their share in the JV. As on November 30, 2024, outstanding corporate guarantee in JVs (PSGRPL's share) stood at ₹25.90 crore (₹26.52 crore as on December 31, 2023).

**Significant upcoming projects in pipeline resulting in exposure to execution and marketing risks**
As articulated by the management, the company is planning to launch four projects (three in PSGRPL and one in SPV) with total saleable area of ~36 lsf in the next 12 months. This exposes the company to project execution and marketing risks, although the group's past track record mitigates risks to a certain extent.

**Risk of geographical concentration and highly fragmented real estate industry in Kolkata**
Majority ongoing projects are being constructed in and around Kolkata, which exposes PSGRPL to risk of geographical concentration. In the last few years, Kolkata has witnessed moderate growth in real estate sector with large number of renowned local and national level real estate players, entering with large size projects in the city. However, given the group's brand image in Kolkata and satisfactory track record of the company in execution of real estate projects, risk is mitigated to a larger extent.

## **Liquidity**: Adequate

PSGRPL has outstanding collections (committed stage payment) from sold inventory of ₹866.28 crore as on November 30, 2024, which covers ~56% of outstanding cost and debt and will be received and deployed in the project as construction work progresses. As on February 28, 2025, PSGRPL has free cash & bank balance of ₹20 crore, PS's share in its JV entities is ₹126 crore and other entities in the PS Group have cash and bank balance of ₹37 crore. Hence, at the group level, total cash and bank balance stood at ₹183 crore as on February 28, 2025 (against ₹109 crore as on December 31, 2023).

## **Environment, social, and governance (ESG) risks-** Not applicable

## Applicable criteria

Consolidation
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 |

Incorporated in 1988, PSGRPL is part of the Kolkata-based PS Group and is engaged in construction, development and maintenance of commercial, retail and residential real estate. The PS Group was promoted by Pradip Kumar Chopra and Surendra Kumar Dugar. Currently, the group's day-to-day affairs is managed by Prashant Chopra (Group chairman, son of Pradip Chopra) and Gaurav Dugar (Managing Director, son of Surendra Dugar), who are ably supported by a team of experienced professionals. At a standalone level, PSGRPL has four ongoing projects with an aggregate saleable area of ~7.58 lsf. All projects have been launched and are based in Kolkata. PSGRPL through its group companies and through SPVs in the form of subsidiaries/LLPs/ partnership firms is developing real estate projects in and around Kolkata (mostly), hence at a consolidated level, the company has total of nine ongoing residential and commercial projects with aggregate saleable area of 49.17 lsf.

| Brief Financials (₹ crore)- Consolidated | March 31, 2023 (A) | March 31, 2024 (A) |
|---|---|---|
| Total operating income | 445.54 | 949.38 |
| PBILDT | 65.06 | 118.93 |
| PAT | 44.79 | 72.38 |
| Overall gearing (times) | 1.47 | 1.44 |
| Interest coverage (times) | 2.47 | 3.04 |

A: Audited; Note: these are latest available financial results

| Brief Financials (₹ crore)- Standalone | March 31, 2023 (A) | March 31, 2024 (A) |
|---|---|---|
| Total operating income | 291.28 | 846.16 |
| PBILDT | 31.04 | 98.96 |
| PAT | 47.82 | 95.19 |
| Overall gearing (times) | 0.84 | 0.65 |
| Interest coverage (times) | 3.09 | 6.14 |

A: Audited; Note: these are latest available financial results

**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 | - | - | - | February 2035 | 28.60 | CARE A; 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 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1 | Fund-based - LT-Term Loan | LT | 28.60 | CARE A; Stable | 1)CARE A; Stable (03-Apr-24) | 1)CARE A; Stable (06-Apr-23) | - | 1)CARE A-; Positive (28-Mar-22) |
| 2 | Fund-based - LT-Bank Overdraft | LT | - | - | - | - | - | 1)Withdrawn (28-Mar-22) |

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

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|---|
| To view lender-wise details of bank facilities please click here |

## Annexure-6: List of entities consolidated

| Sr No | Name of the entity | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| 1 | Progressive Land Development Co Pvt Ltd. | Full | Subsidiary* |
| 2 | Yeo Fah Tannery Pvt Ltd. | Full | Subsidiary* |
| 3 | Bailey Properties Pvt Ltd. | Full | Subsidiary* |
| 4 | Riverfront Condominium Pvt Ltd. | Full | Subsidiary |
| 5 | Sky View Developers | Full | Subsidiary* |
| 6 | Skieys Almondreal LLP | Full | Subsidiary |
| 7 | Confluence Condo LLP | Full | Subsidiary* |
| 8 | P S Srijan Estate LLP | Full | Subsidiary* |
| 9 | P S Unipon Garment Park LLP | Full | Subsidiary* |
| 10 | P S Vinayak Homes LLP | Full | Subsidiary* |
| 11 | P S Vinayak Heights LLP | Full | Subsidiary* |
| 12 | Skies Enclave LLP | Full | Subsidiary* |

*PSGRPL exercises control but does not hold more than 50% in these entities.

**Note on complexity levels of rated instruments:** CARE 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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