

Riverfront Condominium Private Limited

July 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	300.00	CARE BBB+; Stable	Assigned

Rationale and key rating drivers

The rating assigned to bank facilities of Riverfront Condominium Private Limited (RCPL) derives strength from experienced promoters with established brand image of PS Group in Kolkata real estate market, efficient project execution capabilities and association of PS Group with renowned architects and consultants. The rating also draw comfort from good initial response received for Sansara Phase 1 launched for sale in October 2024 albeit large size of the project, presence of debt service reserve account (DSRA) and cash sweep mechanism.

However, the rating is constrained by the project's early stage of execution, high reliance on customer advances and time-bound committed payment to landowners. The rating is also tempered by regulatory risks and susceptibility of real estate market to economic cycles.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

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

Negative factors

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

Analytical approach- Standalone, factoring linkages with parent PS Group Realty Private Limited (PSGRPL, rated CARE A, Stable) The linkages are in the form of same line of business, corporate guarantee extended by PSGRPL for the bank facilities of RCPL and loans and advances extended by PSGRPL.

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation of timely execution of project, considering experience of promoters in the industry.

Detailed description of key rating drivers

Key strengths

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

RCPL is the subsidiary of PSGRPL incorporated in 1988, which is the flagship entity of PS Group. 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. 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).

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 get quicker bookings and fund major part of the cost through customer advances.

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

Good initial response of the project albeit large sized project

RCPL is developing a residential project named Sansara (saleable area- ~25 lsf) in Howrah, West Bengal on a land area of 17.41 acres. The project has been divided in three phases. The first phase comprises three towers, second phase comprises two towers and third phase comprises villas, townhouses and commercial project.

The first phase named Sansara Phase 1, having saleable area of 12.77 lsf was launched in October 2024. Within five months of its launch i.e. till March 2025, RCPL sold 211 units of total 413 units, which is ~51% of its total saleable area. Sales velocity was high in the months of November 2024 and December 2024, which gradually normalised. Considering sales momentum from January 2025-mid June 2025, the months to sell unsold inventory of Phase 1 stands low at 12 months against balance construction period of 55 months. The committed customer receivables cover stands satisfactory at 55.45% of the total outstanding debt of ₹92.07 crore and pending cost of ₹792.64 crore as on March 31, 2025. Given large size of the project, continued good sales velocity remains monitorable.

Key weaknesses**Early stage of execution of the project**

Till March 31, 2025; the company incurred ~₹272.36 crore, which accounts for ~26% of the total project cost of ₹1065 crore for Sansara Phase 1. The cost incurred has been funded through promoter contribution of ₹93.19 crore, debt of ₹92.07 crore and customer advances of ₹87.10 crore. 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 the on-going project to an extent.

The company received sanction of ₹225 crore (disbursed- ₹100 crore till March 31, 2025) for funding of Sansara Phase 1 and has prepaid ₹7.93 crore till March 31, 2025, under cash sweep mechanism. DSRA of ₹2.76 crore equivalent to three months interest on the outstanding loan amount has been created till March 31, 2025.

RCPL has received sanction of ₹75 crore for funding Sansara Phase 2. As per management articulation, Sansara Phase 2 (saleable area- 8.30 lsf) is expected to be launched by the end of Q1FY27.

High reliance on customer advances

The total estimated project cost of Sansara Phase 1 is ₹1065 crore, which is proposed to be funded through promoter contribution of ₹17.68 crore, debt of ₹225 crore and remaining through customer advances of ₹822.32 crore. Around 77% of the total cost is proposed to be funded through customer advances exhibiting high reliance on customer advance to fund the project.

Time-bound committed payments to landowners

RCPL has availed the land from Railway Land Development Authority (RLDA) for 99 years at a lease premium of 511.70 crore, which is payable in six annual instalments between FY23 and FY28. As per terms of escrow mechanism mentioned in the sanction letter, ~50% of daily collections will be utilised towards repayment of land lease premium, 10% will be utilised towards debt repayment while the remaining 40% will be utilised towards funding of construction costs of the project. Till March 2025, the company has paid lease premium of ₹255.15 crore equivalent to ~50% of total lease premium payable to RLDA. In the current fiscal, RCPL has prepaid ₹60.50 crore of total lease premium payable in FY26.

Regulatory risks and susceptibility of real estate market to economic cycles

Real estate projects are prone to varying degrees of uncertainty at the macro-level, which affects the economy as a whole and at the sector level. Projects are prone to local, state, and national laws and regulations (governing acquisition, construction and development of land, among others). Failure to comply with such rules and regulations often lead to delays or in the worst case, complete closure of the project; all of which may lead to a complete or partial loss of capital invested.

Real estate sector is highly susceptible to economic cycles. Health of an economy in terms of GDP, employment data, manufacturing activity, and prices of goods, among others affects the value of real estate in such a way that when economy is sluggish real estate sector is affected in a similar way.

Liquidity: Adequate

The company's liquidity position is adequate marked by sold receivable of ₹490.56 crore as on March 31, 2025, against nil debt repayment obligation in FY26. The company is required to create DSRA equivalent to three months interest on the disbursed amount. As on March 31, 2025, the outstanding (o/s) DSRA stood ₹2.76 crore.

Environmental, social and governance (ESG) risks- Not applicable

Applicable criteria

Definition of Default

Factoring Linkages Parent Sub JV Group

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

Macro-economic Indicator	Sector	Industry	Basic Industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated in December 2022 by Kolkata based PS Group, RCPL is developing a residential project named Sansara (saleable area- ~25 lsf) in Howrah, West Bengal on a land area of 17.41 acres. The project has been divided in three phases. The first phase comprises three towers, second phase comprises two towers and the third phase comprises villas, townhouses and commercial project. In the first phase named Sansara Phase 1, the company has launched three towers (Tower 2, 3 and 4) of G+40 floors having total saleable area of 12.77 lsf in October 2024. The total project cost of Phase 1 is ₹1065 crore, which is proposed to be funded by promoter contribution of ₹17.68 crore, debt of ₹225 crore and customer advances of ₹822.32 crore. In the second phase named Sansara Phase 2 (yet to be launched), the company will be launching the other two towers (Tower 1 and Tower 5) of G+38 floors having total saleable area of 8.30 lsf. The total project cost of Phase 2 is estimated at ₹710 crore.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	0.00	0.00
PBILDT	-0.18	NM
PAT	-7.53	-0.09
Overall gearing (times)	3.65	13.95
Interest coverage (times)	-0.02	NM

A: Audited UA: Unaudited; NM: Not meaningful, Note: 'the above results are latest financial results available'

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	-	-	-	July 2031	75.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	-	-	-	November 2029	225.00	CARE BBB+; 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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	75.00	CARE BBB+; Stable				
2	Fund-based - LT-Term Loan	LT	225.00	CARE BBB+; Stable				

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](#)

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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About us:

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