



Press Release

Land Trades Builders & Developers

July 15, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	80.00 (includes proposed limit of Rs.24.27Cr)	IVR BBB-/ Stable (IVR triple B minus with Stable Outlook)	-	Rating assigned	Simple
Short Term Bank Facility	20.00	IVR A3 (IVR A three)	-	Rating assigned	Simple
Total	100.00 (INR one hundred crores only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of Land Trades Builders & Developers (LTB&D) has taken into account the long track record of operations and experienced management. The rating also favourably factors in moderate project cost structure, favourable saleability and maintenance of escrow account. However, these rating strengths are constrained due to project implementation risk, exposure to risks relating to cyclical nature in real estate industry and proprietorship nature of constitution.

The rating outlook assigned to long-term rating is Stable as the company will benefit from the extensive experience of the promoters along-with favourable industry outlook.

Key Rating Sensitivities:

Upward Factors

- Timely receipt of customer advances
- Improvement in financial risk profile
- Scheduled completion of ongoing projects

Downward Factors

- Significant delay in disbursement of committed lines of funding.



Press Release

- Weaker than anticipated sales performance and lower than expected collections which may lead to increased funding risk
- Time and cost overrun in the Projects

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Long track record of operations of the firm and experienced management**

Land Trades Builders & Developers (LTB&D) has a long operational track record in the real estate industry for more than three decades. LTB&D had a presence in Mangalore and its surroundings majorly. The firm have promoted over 42 projects, including ultramodern skyscrapers, super luxury, and budget apartments, commercial projects, and housing layouts, providing over 3,500 homes with a combined built-up area of 42.52 lakh sq. ft. Recently, the firm is developing 7 projects with a total area of 12.86 lakh square feet under development. In addition to this, the proprietor Mr. Kabbinala Shrinath Hebbar is highly experienced and actively involved in the operations of the firm since inception. Going forward, the long operational track record of the proprietor, extensive understanding and expertise will support the firm's growth plans.

- **Moderate Project cost structure and favourable saleability**

The total cost envisaged to the projects is Rs.931.51 Cr, which is projected to be met through promoters' contribution of Rs.120.77 Cr, term loan of Rs.145.00 Cr, and customer advances of Rs.665.74 Cr. The loan amount to total cost of the projects is ~15.57%, while the promoters' fund is ~12.96%. and customer advances constitute to ~71.47%. As on 31st March 2025, out of the 492 units, 337 units have been sold, which is ~68.50% of the total saleable units. The remaining ~31.50% are still pending for sale. As on 31st March 2025, the total sale value of the projects is Rs. 1103.01 Cr, out of which the value of sold units is Rs.707.78 Cr of which the firm has received Rs.442.46 Cr. (demand raised around Rs.505.75 Cr), depicting robust collection efficiency of ~87%. The timely receipt of customer advances and booking money received would be key monitorable going forward.



Press Release

- **Maintenance of escrow account**

The revenue of the projects will be routed through an escrow account maintained by the bank. The withdrawals from accounts will be as per the predefined waterfall mechanism giving priority to debt obligations and last to operational expenses.

Key Rating Weaknesses

- **Projects Implementation Risk**

The projects 'Altura' (94%), and 'Vikram' (97%) are in the advanced construction stage which indicates a low degree of project implementation risk. The projects 'Pristine' (42%) 'Laxmi Govinda' (45%) 'Shivabagh' (63%) and 'Synergy' (59%) are in the mid construction stage which indicates a moderate degree of project implementation risk. The projects 'Mahalaxmi' (28%) are in the nascent construction stage which indicates a high degree of project implementation risk. Nevertheless, the proprietor have vast experience in real estate sector which imparts some comfort.

- **Exposure to risks relating to cyclicity in the real estate industry**

Being a cyclical industry, real estate depends on macro-economic factors and the Firm's dependence on a particular geography further heightens such risk. The real estate industry also remains susceptible to regulatory risk. Cumulatively, these may have a material bearing on the real estate project cash flow. This may impact the debt servicing ability of the firm. Managing the same thus remain critical.

- **Proprietorship nature of constitution**

Given LTB&D's constitution as a proprietorship firm, it remains exposed to discrete risks, including the possibility of withdrawal of capital by the proprietor and the risk of dissolution of the firm upon the death, retirement, or insolvency of proprietor.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Real Estate Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)



Press Release

[Criteria of assigning rating outlook](#)

[Policy on default recognition](#)

[Complexity level of rated Instruments/Facilities](#)

Liquidity– Adequate

The adequate liquidity position of the firm is on account of the comfortable average cumulative cash flow coverage ratio of 1.43 times during FY2026 (refers to period April 1st, 2025, to Mar 31, 2026) to FY2028 (refers to period April 1st, 2027, to Mar 31, 2028). The total cash inflow of the Firm during FY2026 is expected to be Rs.318.83 Cr as against a total outflow of Rs.175.89 Cr, thereby having a surplus of Rs.142.94 Cr. Further, the firm has prepaid term loan of around Rs.80 Cr with the surplus inflow of advances. Again, the firm is projected to maintain an adequate level of inflow and the same is expected to increase gradually with improvement in bookings. The average fund-based limit utilisation remains average at 61.74% over the twelve months ended May 2025. In addition to this, availability of escrow account will ensure the smooth repayments. Further, the firm is likely to benefit from the resourcefulness of the proprietor.

About the Firm

Established in 1992, Land Trades Builders & Developers (LTB&D) is a Mangalore based firm engaged in real estate business. Currently, the firm is headed by Mr. K. Shrinath Hebbar. The firm have promoted over 42 projects, including ultramodern skyscrapers, super luxury, and budget apartments, commercial projects, and housing layouts, providing over 3,500 homes with a combined built-up area of 42.52 lakh sq. ft. The firm had its presence in Mangalore and its surroundings majorly. Recently, the firm is developing 7 projects with a total area of 12.86 lakh square feet under development.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	25.83	24.55
EBITDA	14.73	15.48
PAT	6.94	7.71
Total Debt	80.07	92.28
Tangible Net Worth	79.91	84.41



Press Release

EBITDA Margin (%)	57.01	63.04
PAT Margin (%)	23.99	28.45
Overall Gearing Ratio (x)	1.00	1.09
Interest Coverage (x)	2.46	3.47

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sl. No.	Name of Instrument / Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Term Loans	Long Term	53.83	IVR BBB-/ Stable	-	-	-
2.	GECL	Long Term	1.90	IVR BBB-/ Stable	-	-	-
3.	Proposed Term Loan	Long Term	24.27	IVR BBB-/ Stable	-	-	-
4.	Overdraft	Short Term	20.00	IVR A3	-	-	-

Analytical Contacts:

Name: Kaustav Saha	Name: Sandeep Khaitan
Tel: (033) 48033621	Tel: (033) 48033621
Email: kaustav.saha@infomerics.com	Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



Press Release

ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan-1 (Project Loan)	-	-	-	June 2028	8.78	IVR BBB-/ Stable
Term Loan-2 (Mortgage Loan)	-	-	-	October 2029	16.95	IVR BBB-/ Stable
Term Loan-3 (Project Loan)	-	-	-	March 2032	9.52	IVR BBB-/ Stable
Term Loan-4 (Mortgage Loan)	-	-	-	September 2033	4.17	IVR BBB-/ Stable
Term Loan-5 (Project Loan)	-	-	-	June 2030	9.87	IVR BBB-/ Stable
GECL	-	-	-	November 2027	1.90	IVR BBB-/ Stable
Term Loan-6 (Demand Loan)	-	-	-	March 2027	4.54	IVR BBB-/ Stable
Proposed Term Loan	-	-	-	-	24.27	IVR BBB-/ Stable
Overdraft	-	-	-	-	20.00	IVR A3

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Land-Trades-Builders-15july25.pdf>



Press Release

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

