



## Press Release

### Siddha Real Estate Development Private Limited

March 27, 2025

#### Ratings

| Instrument / Facility   | Amount (Rs. crore)                                     | Current Ratings   | Previous Ratings  | Rating Action     | <a href="#">Complexity Indicator</a> |
|-------------------------|--|---|---|-------------------|--------------------------------------|
| Long Term Bank Facility | 60.00<br>(including proposed limit of Rs. 40.50 crore) | IVR BBB+/ Stable<br>(IVR triple B plus with Stable Outlook) | IVR BBB+/ Stable<br>(IVR triple B plus with Stable Outlook) | Rating reaffirmed | Simple                               |
| Total                   | 60.00<br>(INR sixty crore 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 rating assigned to the bank facility of Siddha Real Estate Development Private Limited (SREDPL) considers the common management team and operational & financial linkages between SREDPL and its Group entities, Siddha Happyville LLP, Siddha Waterfront LLP, Siddha Infradev LLP, Siddha Sphere LLP, Siddha Town Baruipur LLP, Siddha Real-Build LLP, Sejal Shakti Realtors LLP and Brizeal Realtors and Developers LLP. Infomerics has taken a combined view of these entities referred together as the Siddha Group.

The reaffirmation of the long-term rating assigned to the bank facilities of Siddha Real Estate Development Private Limited (SREDPL) considers the strength from its established promoters with established track record of Siddha Group, strong project execution capabilities, major regulatory approvals already in place for the ongoing projects, comfortable project cost structure of the Group and maintenance of DSRA and Escrow Account. However, these rating strengths remain constrained due to intermediate stage of several ongoing projects indicating execution risk, Exposure other Group companies, reliance on customer advances and exposure to risks relating to cyclicity in real estate industry.

The rating outlook assigned to the long-term rating is Stable on account of adequate sales and collections to meet the committed cost and debt obligation.

#### Key Rating Sensitivities:



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### Upward Factors

- Timely completion of the projects
- Timely sale of flats and adequate cash flow generation

### Downward Factors

- Significant delay in disbursement of committed lines of funding
- Delay in completion of project
- Significant cost overruns of the project
- Lower than expected booking status

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### **Established promoters with established track record of Siddha Group**

Mr. Chandan Prakash Jain and Mr. Sanjay Jain, promoters of SREDPL, flagship company of the Siddha Group has over three decades of experience in real estate business. The Group has a strong developmental track record and brand recall in the Kolkata and Jaipur real estate markets since 1986. The developer has undertaken projects mainly in the residential segment with HIG, MIG and LIG ticket size and only a few projects in the commercial segments. The Group also has presence in the Bangalore and Mumbai.

##### **Strong project execution capabilities**

The Group has satisfactory execution capabilities as evident from projects delivered in the past. The Group is associated with renowned architects, marketing agent and consultants who have proved their mettle in the field. Further, Group's current on-going projects are located in Kolkata and Mumbai and are equipped with modern facilities/ amenities.

##### **Major regulatory approvals already in place for the ongoing projects**

Land has already been acquired/ available and building permit has been obtained for all the ongoing projects. The Group has received all the major approvals from the appropriate authorities which includes police department, airport authority, urban land ceiling, height clearance, microwave, water, electricity, fire & emergency, environmental clearance. Further, all the on-going projects are in compliance with Maharashtra Real Estate Regulatory Authority and West Bengal Housing Regulatory Authority (WBHRA).



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### **Comfortable project cost structure of the Group**

Total cost envisaged to the projects is Rs. 2308.72 crore as on February 28, 2025, which is projected to be met through promoters' contribution of Rs. 297.00 Cr, term loan of Rs. 520.00 Cr and customer advances of Rs.1491.72 Cr. The loan amount to the total cost of the project is ~12.86%, while the promoters' fund constitutes ~22.52%. The remaining amount is from customer advance. Debt equity ratio of the project is 1.75x. As on February 28, 2025, out of the 2734 units, 1418 units have been sold, which is ~51.87% of the total saleable units. The remaining ~48.13% are still pending for sale. The timely receipt of customer advances and booking money received would be key monitorable going forward.

### **Maintenance of DSRA and Escrow Account**

The revenue from the running projects of SREDPL, BRDL and SSRL is routed through an escrow account maintained with the bank. The withdrawals from account will be as per the predefined waterfall mechanism giving priority to debt obligations and last to operational expenses. SREDPL, BRDL and SSRL also maintains a DSRA equivalent to three months interest and principal repayments provides additional comfort over the repayments of interest/debt.

### **Key Rating Weaknesses**

#### **Intermediate stage of several ongoing projects indicating execution risk**

Siddha Group's ongoing Projects are in the mid stage of development. The Group has spent around 64% of the total estimated project cost till February 28, 2025. However, long experience of the Group in the real estate sector reduces the risk to an extent.

#### **Exposure other Group companies**

On a standalone basis, SREDPL's has also extended corporate guarantee or is a coborrower for the bank facilities availed by it Group entities. In such a scenario, SREDPL's solvency also depends on the operations of the Group entities under which the projects are being developed.

#### **Reliance on customer advances**

Major part of the cost for the on-going projects is expected to be funded out of customer advance which in turn is contingent upon the ability of the Group to market its projects and



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timely collection of its receivables. The total project cost for all the projects was estimated at Rs. 2308.72 crore to be funded by debt of Rs.520.00 crore, promoters fund of Rs.297.00 crore and customer advances of Rs. 1491.72 crore. Any delay in receipt of the customer receivables would impact the construction progress of the project and therefore remains the key rating monitorable.

### **Exposure to risks relating to cyclicity in real estate industry**

Cyclicity in the real estate segment could lead to fluctuations in cash inflow because of volatility in realisation and saleability. This may impact the debt servicing ability of the Group. Siddha Group will remain susceptible to the inherent cyclicity in the real estate sector

### **Analytical Approach:** Combined

For the purpose of rating, we have combined the financial statements of Siddha Real Estate Development Private Limited, Siddha Happyville LLP, Siddha Waterfront LLP, Siddha Infradev LLP, Siddha Sphere LLP, Siddha Town Baruipur LLP, Siddha Real-Build LLP, Sejal Shakti Realtors LLP and Brizeal Realtors and Developers LLP. This is because these companies, collectively referred to as Siddha Group, are under control of the same promoters, have business and financial linkages considering the same management and operational and financial linkages. The list of Companies is given in Annexure 4.

### **Applicable Criteria:**

[Rating Methodology for Real Estate Entities](#)

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

[Criteria of assigning rating outlook](#)

[Policy on default recognition](#)

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

[Consolidation of Companies](#)

### **Liquidity – Adequate**

The company is projected to maintain an adequate level of inflow and the same is expected to increase gradually with increase in bookings. In addition, availability of escrow mechanism



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along with DSRA/ISRA account will ensure the smooth repayments. Further, the firm is likely to benefit from the resourcefulness of the partners' Group. Overall liquidity position is expected to be adequate.

### **About the Company**

The flagship company of the Siddha Group; Siddha Real Estate Development Private Limited was incorporated in the year 2006 and part of the Kolkata based Siddha Group. Siddha Group is one of the prominent real estate developers in West Bengal and is engaged in the construction, development and maintenance of commercial, retail as well as residential real estate. It executes projects both under its own name and under the names of various Joint Ventures Partnership firms floated by it

### **Financials (Standalone):**

| For the year ended/ As on* | (Rs. crore) |            |
|----------------------------|-------------|------------|
|                            | 31-03-2023  | 31-03-2024 |
|                            | Audited     | Audited    |
| Total Operating Income     | 109.64      | 167.56     |
| EBITDA                     | 10.59       | 4.55       |
| PAT                        | 2.81        | 3.89       |
| Total Debt                 | 181.64      | 206.58     |
| Tangible Net Worth         | 103.81      | 107.70     |
| EBITDA Margin (%)          | 9.66        | 2.72       |
| PAT Margin (%)             | 2.55        | 2.26       |
| Overall Gearing Ratio (x)  | 1.61        | 1.87       |
| Interest Coverage (x)      | 4.25        | 3.51       |

*\*Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating History for last three years:**





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| Sr. No. | Name of Instrument/Facilities | Current Ratings (Year 2024-25) |                                |                 | Rating History for the past 3 years     |   |  |   |
|---------|-------------------------------|--------------------------------|--------------------------------|-----------------|---|---|--|---|
|         |                               | Type (Long Term/Short Term)    | Amount outstanding (Rs. Crore) | Rating          | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |  | Date(s) & Rating(s) assigned in 2021-22 |
|         |                               |                                |                                |                 | (January 25, 2024)                      | (March 23, 2023)                        | (December 19, 2022)                                | (September 20, 2021)                    |
| 1.      | Term Loan                     | Long Term                      | 19.50                          | IVR BBB+/Stable | Withdrawn                               | IVR BBB+/Stable                         | IVR BBB+ Rating Watch with Developing Implications | IVR BBB+/Stable                         |
| 2.      | Proposed Term Loan            | Long Term                      | 40.50                          | IVR BBB+/Stable | IVR BBB+/Stable                         | -                                       | -  | -                                       |
| 3.      | Overdraft                     | -                              | -                              | -               | Withdrawn                               | IVR BBB+/Stable                         | IVR BBB+ Rating Watch with Developing Implications | -                                       |

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### 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 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.



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For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com)

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### Annexure 1: Instrument/Facility Details

| Name of Facility   | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|--------------------|------|------------------|------------------|---------------|------------------------------|--------------------------|
| Term Loan          | -    | -                | -                | FY2030        | 19.50                        | IVR BBB+/ Stable         |
| Proposed Term Loan | -    | -                | -                | -             | 40.50                        | IVR BBB+/ Stable         |

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SREDPL-mar25.pdf>

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

### Annexure 4: List of companies considered for consolidated/Combined analysis:

| Sl. No. | Name of the entities                           | Consolidation Approach |
|---------|--|------------------------|
| 1.      | Siddha Happyville LLP                          | Combined               |
| 2.      | Siddha Waterfront LLP                          | Combined               |
| 3.      | Brizeal Realtors and Developers LLP            | Combined               |
| 4.      | Siddha Infradev LLP                            | Combined               |
| 5.      | Siddha Sphere LLP                              | Combined               |
| 6.      | Siddha Town Barupur LLP                        | Combined               |
| 7.      | Sejal Shakti Realtors LLP                      | Combined               |
| 8.      | Siddha Real Estate Development Private Limited | Combined               |
| 9.      | Siddha Real-Build LLP                          | Combined               |



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**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](http://www.infomerics.com).

