



## Press Release

Poddar Housing and Development Limited

January 13, 2022

### Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facilities	18.72	IVR BBB-/ Stable (IVR Triple B Minus/Stable)	IVR BBB-/ Credit watch with developing implications (IVR Triple B Minus with Credit watch with developing implications)	Reaffirm and moved out from Credit watch with developing implications	Simple
	<b>Total</b>	<b>18.72</b>				Simple

Details of Facilities are in Annexure 1

### Detailed Rationale

The rating assigned to the bank facilities of Poddar Housing and Development Limited has been moved out from Credit Watch with Developing Implications to stable as the company have received SCOD extension approval from the lender and revised SCOD is December, 2022.

The rating assigned continues to derive comfort from established track record of Poddar group, resourceful promoters, and repayment through escrow mechanism. Further, MAHARERA have also granted extension for the projects considering force majeure provision



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of RERA Act. However, these factors are offset by exposure to risks relating to cyclical in real estate industry.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Faster-than-expected ramp-up of salability in its residential project.
- Strengthening the financial risk profile, especially debt protection metrics.
- Sales of unsold inventory at competitive rates.

#### **Downward Factors**

- Weakening of debt protection metrics leading to gearing ratio at beyond 2.00 times.
- Lower-than-expected cash flow due to delay in completion of the project.
- Lower-than-expected salability in its residential segment

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Established track record of Poddar group**

PHDL is a part of the Poddar group which has successfully completed and delivered multiple projects in the Mumbai Region; A decade plus experience in development of real estate focusing on affordable and value housing in and around MMR. The company has Completed development of 8 Projects totalling ~2.1million sq. ft. of Construction Area and delivered ~4300 Units (Residential) and ~200 Shops (Commercial) at various locations in and around MMR.

##### **Resourceful promoters**

The promoters of the Company have been associated with the real estate industry for over a decade. The promoters have already infused around 100.00% of their estimated contribution in the project which reflects their commitment towards timely completion of the project. Partnership with Landowners through JDA/JV towards achieving an asset light model and also de-risking cash flows.

##### **Repayment through Escrow mechanism**



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Collections from the project are deposited into an Escrow Account and are applied towards payment of scheduled interest and principal repayments of the term loan facility. Further, the loan amount has significantly reduced.

### **Key Rating Weaknesses**

#### **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. However, PHDL has sold 95% inventory, so its not likely to affect PHDL.

**Analytical Approach:** Standalone

#### **Applicable Criteria:**

Rating Methodology for Real Estate Companies

Financial Ratios & Interpretation (Non-financial Sector)

#### **Liquidity – Adequate**

Poddar Housing and Development Limited is projected to maintain an adequate level of inflow and the same is expected to increase gradually with increase in bookings/sales realization. Further, the company is likely to be benefited from the resourcefulness of its promoters and its moderate level of cash balances. Overall liquidity position is expected to be adequate.

#### **About the Company**

Poddar Housing and Development Limited, formerly Poddar Developers Limited, is a real estate development company. The Company is engaged in the housing segment of the real estate sector. The company is listed on BSE and NSE.

At present, the company is constructing and developing four projects Spraha Diamond, Chembur, Samruddhi Evergreens at Badlapur, Poddar Wondercity at Badlapur and Poddar Rivera at Kalyan. Other upcoming projects of the company are Goregaon, Kandivali-Apna Nagar, Tisgaon, Dhayari, Poddar Rivera Phase II at Kalyan.



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### Financials (Standalone Basis):

(Rs. crore)

For the year ended*	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	47.78	54.76
EBITDA	-21.27	7.88
PAT	-13.83	2.82
Total Debt	245.38	251.78
Tangible Net worth	190.67	194.47
EBITDA Margin (%)	-44.51	14.39
PAT Margin (%)	-25.95	4.90
Overall Gearing Ratio (x)	1.29	1.29

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** None

**Any other information:** Nil

### Rating History for last three years:

S. No	Name of Instrument / Facilities	Current Rating (Year 2021-2022)			Rating History for the past 3 years			
		Type	Amount (Rs. Crore)	Rating (January 13, 2022)	Date(s) & Rating(s) assigned in 2020-21 (December 16, 2021)	Date(s) & Rating(s) assigned in 2020-21 (September 22, 2020)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Fund Based Bank Facilities-Term Loan	Long Term	14.72	IVR BBB-/ Stable outlook	IVR BBB-/ Credit Watch with Developing Implications	IVR BBB-/ Stable outlook	-	-
2.	Fund Based Bank Facilities-ECLGS	Long Term	4.00	IVR BBB-/ Stable outlook	IVR BBB-/ Credit Watch with Developing Implications	IVR BBB-/ Stable outlook		



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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities- Term Loan	-	-	-	14.72	IVR BBB-/ Stable
Long Term Bank facilities- ECLGS	-	-	-	4.00	IVR BBB-/ Stable



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**Annexure 2: List of companies considered for consolidated analysis: Not applicable**

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/poddar-housing-lenders-jan22.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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](http://www.infomerics.com).