

## HBS Realtors Private Limited

Instrument	Rs. Crore	Rating Action
Rs. 65 crore Non-Convertible Debenture Program	53.56	[ICRA]B/ reaffirmed

ICRA has reaffirmed the long-term rating for the Rs. 53.56 crore<sup>1</sup> Non-Convertible Debenture (NCD) program of HBS Realtors Private Limited ('HBS' or 'the company') at [ICRA]B (pronounced ICRA B)<sup>2</sup>.

The rating reaffirmation continues to factor in the significant re-financing risk as part payment of the debentures falls due in August 2016 while the cash flows generated by the SPVs are inadequate to service the debt obligations. ICRA also notes the considerable delays in project execution at SPV level on account of delays in receiving key approvals which has led to cost over-runs risks and constrained the sales collection from the projects. The different projects continue to remain exposed to regulatory risks, given that commencement certificate (CC) is yet to be received for three of the on-going projects, and project execution risks, considering nascent stage of all projects, with construction yet to commence for three of the projects.

The rating, however, draws comfort from the long term promoter experience in the real estate industry and the attractive location of the four re-development projects, located in South and South Central Mumbai. ICRA also notes that financial close has been achieved for three of these SPVs.

### Company Profile

Incorporated in 1995, HBS Realtors Private Limited ('HBS' or 'the company') is a Mumbai-based real estate developer involved in large scale city-centric developments in commercial as well residential segments. The group has a diversified product mix with a strong presence in residential, retail, commercial, hospitality and SEZ developments. Over the last decade, HBS has built strategic partnerships with reputed business houses such as Phoenix Mills Limited for the development of its 'Marketcity' projects, and with the Mody Group of JB Chemicals and Pharmaceuticals for the development of its pharma SEZ project. Over the years, HBS has also attracted various financial investors like IL&FS, MPC Fund, SREI Infrastructure Finance Ltd. and Edelweiss across its various projects. Since 2006–07, the group has raised private equity and debt for its various projects.

### Recent Results

As per unaudited results, for the financial year ending March 2016, HBS reported operating income of Rs. 37.36 crore and profit after tax (PAT) of Rs. 0.14 crore.

As per audited results, for the financial year ending March 2015, HBS reported operating income of Rs. 25.42 crore and profit after tax (PAT) of Rs. 1.51 crore.

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*For further details, please contact:*

Analyst Contacts:

**Mr. Subrata Ray** (Tel. No. +91 22 6114 3408)  
subrata@icraindia.com

Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91-80-43326401)  
jayantac@icraindia.com

<sup>1</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

<sup>2</sup> 100 lakh = 1 crore = 10 million



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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001

Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002

Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,

Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020

Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035

Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'

Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008

Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006

Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020

Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083

Tel:- +91-40-40676500