Infomerics Valuation and Rating Pvt. Ltd

Press Release

Radius & Deserve Land Developers Private Limited

February 27, 2020

Rating

Instrument/Facility	Amount (Rs. Crores)	Rating	Rating Action
Non-Convertible Debentures	302.00	IVR C (IVR Single C)	Revised from IVR B/Stable Outlook (IVR Single B with Stable Outlook)
Total	**302.00**		

Details of Facilities are in Annexure I

Detailed Rationale

The revision in rating takes into account the recent developments that both the companies are planning to exit from the joint venture. The terms of exiting and other conditions are yet to be finalised The company contends that they have requested for an extension of time for NCD's repayment. However, the exact details are not available with Infomerics. Post exit the joint venture between Radius Group and Deserve Group will be null and void.

Analytical Approach & Applicable Criteria

Rating Methodology for Real Estate Entities

Financial Ratios & Interpretation (Non-Financial Sector)

Default Recognition & Post-Default Curing Period

About the Company

Radius & Deserve Land Developers Pvt. Ltd (RDLDPL) is a real estate development company. It is currently engaged in the execution and development of a Slum Rehabilitation Residential project at Borivali (off Western Express Highway) in Mumbai. The initial area of the project

was 12,13,995 sq. ft. which has been subsequently increased to 13,16,295 sq. ft. consequent to increase in the number of tenants to be rehabilitated thereby resulting in a change in the total

saleable area of the project. RDLDPL is a 50:50 JV of Radius group and the Deserve group; both are well known in the real estate market of Mumbai. Radius group has its presence in the premium housing and commercial real estate space in Mumbai. The Deserve group has its presence largely in real estate involving slum rehabilitation and redevelopment of old properties. Raghuleela Builders Private Limited is the flagship company of the group owning the registered trade mark for the brand "Radius". Radius group set up in 1994 operates out of Mumbai's commercial hub, Bandra Kurla Complex. The company has had a track record of successful delivery of premium projects across Mumbai in commercial as well as residential segments. In the past, Radius has developed over 6 million sq. ft. of prime residential and commercial real estate properties. Starting its journey with developing commercial projects in BKC, the group has diversified into the residential segment also. The group currently has 8 ongoing projects with potential saleable area of 20 million sq. ft. These projects are evidently spread across the island city.

Status of non-cooperation with previous CRA: N.A

Any other information: None

Disclosures: None

Rating History for last three years:

Name of Instrument /Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years			
	Type	**Amount outstanding (Rs. crore)**	**Rating**	**Date(s) & Rating(s) assigned in 2018-19**		**Date(s) & Rating(s) assigned in 2017-18**	**Date(s) & Rating(s) assigned in 2016-17**
NCD	Long Term	302.00	IVR C	IVR B (Reaffirmed IVR B; Credit watch with developing implications	IVR B (Credit watch with developing implications, PR dated – 15.09.18)	IVR BB-/Stable Outlook	IVR BB-/Stable Outlook

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				removed, PR dated – 23.01.19)			

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.

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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. 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. Crores)	Rating Assigned/ Outlook
Non-Convertible Debentures*	Multiple tranches between 18th September 2015 to 12th February 2016	-	-	302.00	IVR C (Single C)

The company had requested for extension of time for repayment of the NCD.