



Press Release

Ragone Family Trust (erstwhile Neha Gandhi Family Trust)

December 19, 2023

Ratings

Instrument / Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	100.00	IVR BB- / Stable (IVR Double B Minus with Stable Outlook)	Reaffirmed	Simple
Total	100.00 (Rupees One hundred crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The reaffirmation of the rating assigned to the bank facilities of Ragone Family Trust (erstwhile Neha Gandhi Family Trust) continues to factor in locational advantages accruing to the project and already achieved financial closure. The rating is, however, constrained by delays in execution of the project, no past track record of execution and susceptibility to cyclicity inherent in the real estate sector.

Key Rating Sensitivities:

Upward Factors

- Scheduled progress of the project
- 100% sale of inventory leading to adequate cash flow generation

Downward Factors

- Any further cost or time overrun in completing the project.
- Lower than expected booking status leading to cash flow mismatches.

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

Locational advantages accruing to the project

RFT's ongoing project is an upcoming ultra - premium residential development called "ORANGE Mansion", located at the premium South Mumbai locality of Breach Candy, spread over a land parcel with an area of 720 .74 sq.mt. The subject property is located on the Bomanji Petit Marg near Kemps corner, with the main road connecting August Kranti Marg. The



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property is also accessible from the Bhulabhai Desai Marg from within the internal roads of the Oomer Park Gated bungalow society. The subject property is located 2 minutes away from proposed coastal road, near the junction of Nepean Sea Road, Bhulabhai Desai Marg, and August Kranti Marg, Malabar Hill, Mumbai and falls under the 'D ward' of the MCGM. The development of trans-harbour line and the ongoing coastal road project will eventually lead to an advantage in connectivity.

Financial closure achieved

The total revised project cost of Rs. 205.03 crore is being funded by promoter contribution of Rs.105.03 crore and term loan of Rs.100.00 crore. The revision is on account of increase in interest rate from 10% to 11.4%. RFT has tied up term loan of Rs.100.00 crore with Canara Bank for construction of the project and the repayments for the project will commence from August 2025. This is approximately 49% of the total project cost. As on date, the trust has incurred a total cost of Rs. 72.24 crore which has been funded through a mix of Rs. 66.24 crore from promoters and Rs. 6.00 crore term loan.

B. Key Rating Weaknesses

Delays in execution of the project

There has been no physical progress in the project since December 2022 on account of delays in securing requisite approvals from Municipal Corporation of Greater Mumbai (MCGM). The construction has been completed up to plinth level. The trust has now received major approvals and expects to resume construction from January 2024. The SCOD has been revised from October 2024 to August 2025. The cost of the project has been revised to 205.03 crores from Rs. 204.00 crores.

RFT faces moderate project implementation risk as the project is only in the nascent stage.

No past track record of execution

There is no track record of completed projects to prove their project execution capabilities.

Susceptibility to cyclicity inherent in the real estate sector

Real Estate is highly regulated, and completion of the project depends upon a number of internal and external factors amongst which the most common are cost and time overruns and customer defaults, as the project depends on customer advances for its project funding. Also, the industry is highly cyclical to the economic cycles a country undergoes.

Analytical Approach: Standalone



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Applicable Criteria:

[Policy on default recognition](#)

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Infrastructure Companies](#)

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

Liquidity: Adequate

The project SCOD has been revised to August 2025 with no major cost overruns. The project is to resume construction from January 2024 and is funded by promoters' contribution and debt. RFT proposes to sell the units when 75% of proposed work is completed. Thus, RFT is projected to have an adequate level of inflow and the same is expected to increase gradually when bookings start. Currently there is a moratorium period, and the repayments will start from August 2025. However, any further major delays in scheduled completion of the project can impact the liquidity adversely.

About the trust

Ragone Family Trust (RFT) originally, was incorporated as Nikhil Prataprai Gandhi Family Trust in June 2007 vide original Trust deed dated 07.06.2007 with Mr. Nikhil Prataprai Gandhi and Mr. Bharat Amrutlal Shah as Trustees and Mrs. Neha Nikhil Gandhi, Ms Akshita Nikhil Gandhi and Ms. Priyanka Nikhil Gandhi as the beneficiaries. Later vide supplementary deed dated June 2021, the trust was renamed as "Neha Gandhi Family Trust. Thereafter, vide the amended trust deed dated October 2022, the trust was renamed as "Ragone Family Trust" vide reference no. 14419/7/90.

RFT is developing an Ultra-Premium Residential Development called "ORANGE Mansion" on a prime residential plot in South Mumbai at Breach Candy. The project comprises of five units, two duplex and three triplex apartments.



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Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Audited)
Total Operating Income	-	-
EBITDA	-	-0.01
PAT	-	-0.02
Total Debt	-	-
Tangible Net worth	107.91	111.25
Ratios		
EBITDA Margin (%)	-	-
PAT Margin (%)	-	-
Overall Gearing Ratio (x)	-	-

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	100.00	IVR BB- / Stable	IVR BB- / Stable (December 13, 2022) IVR BB- / Stable (October 21, 2022)	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics



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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).

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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
Term Loan	-	-	July 2026	100.00	IVR BB- / Stable

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Ragone-dec23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable



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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.