



Press Release

Ratnabhumi Developers Limited (RDL)
August 18, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	100.00	IVR BB+/ Negative; ISSUER NOT COOPERATING * (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating) *	Rating Revised and migrated to Issuer Not Cooperating category	Simple
Total	Rs. 100.00 (Rupees One hundred crore only)			

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Ratnabhumi Developers Limited (RDL) reflects lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide email communications dated July 11 2023, July 17, 2023, July 20, 2023, July 24, 2023 and July 31, 2023 and August 4, 2023 concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.



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Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of RDL aggregating Rs.100.00 crore has been downgraded and migrated to 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Policy on default recognition](#)

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Real Estate Companies](#)

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

About the company

Ratnabhumi Developers Limited (RDL), a real estate developer, incorporated on 27 July 2007, is a part of Ahmedabad based, Ratna Group and founded by Mr. Jitendra Shah in the early 1980s. The group has till date, completed 22 projects, both commercial and residential inclusive, with combined construction area of 18,55,566 square feet, with estimated project cost totalling to Rs.604 crores and an estimated surplus of around Rs.130 crore. RDL launched its brand "Turquoise" and has launched four projects under the said brand, out of which two projects fall under the 'Affordable Housing' category and other two projects fall under the 'Luxury Homes' category. Currently, there are three ongoing projects with construction area of 10,68,435 square feet, with estimated project cost totalling to Rs.283 crores. The projects are combination of both residential and commercial retail shop located in Ahmedabad.

Financials (Standalone):

(Rs. crore)		
For the year ended / As on	31-03-2022	31-03-2023
	Audited	Audited



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For the year ended / As on	31-03-2022	31-03-2023
Total Operating Income	1.76	0.67
EBITDA	2.72	7.40
PAT	0.17	0.23
Total Debt	41.64	109.06
Tangible Net Worth	34.76	34.99
Ratios		
EBITDA Margin (%)	154.59	1099.08
PAT Margin (%)	9.59	34.74
Overall Gearing Ratio (x)	1.20	3.12

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No	Name of 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 (July 27, 2022)	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+/ Negative; ISSUER NOT COOPERATING *	IVR BBB-/ Stable	-	-

**Issuer did not cooperate; based on best available information*

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About Infomerics:



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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 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.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

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	-	-	March 2026	100.00	IVR BB+/ Negative; ISSUER NOT COOPERATING *

**Issuer did not cooperate; based on best available information*



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

Annexure 3: Facility wise lender details: Not Available

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.