



**RATNA**  
RISING • REALTY

Letter No.: RDL/014/2022-23

Date: 28<sup>th</sup> July, 2022

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Dear Sir/ Madam,

**Sub: Intimation in respect of Credit Rating received by the Company**

**Ref: Ratnabhumi Developers Limited (Scrip Code: 540796) ISIN: INE821Y01011**

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30 (read with Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform your good office that, after due consideration, Infomerics Valuation and Rating Private Limited has assigned an IVR BBB-/ Stable (IVR Triple B Minus with a Stable Outlook) rating for the Company's Long Term Bank Facility of Rs.100 Crore.

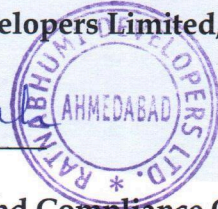
A copy of the letter dated July 26, 2022 and a press release dated July 27, 2022, as received from INFORMERICS in this regard, is enclosed herewith.

Kindly take the same in your records.

Thanking you.

Yours faithfully,  
For, Ratnabhumi Developers Limited,

*Mauli Shah*



**Ms. Mauli Shah**  
**Company Secretary and Compliance Officer**

Encl: As above

**RATNABHUMI DEVELOPERS LIMITED**  
Register Office: SF-207, Turquoise, Panchavati Panch Rasta,  
Nr. White House E. B., C G Road,  
Ahmedabad, Gujarat, India -380009.

**CIN** : L45200GJ2006PLC048776  
**Phone** : +91-079-40056129  
**Email** : cs@ratnagroup.co.in  
**Web** : www.ratnagroup.co.in



July 26, 2022

**Kaivan Jitendra Shah**

Managing Director

**Ratnabhumi Developers Limited**

S.F. 207, Turquoise, Panchvati Panch Rasta

Near White House E.B., C.G. Road

Ahmedabad Gujarat 380009

Dear Sir,

Assignment of rating to the Bank facilities of **Ratnabhumi Developers Limited**.

Please refer to the Mandate contract dated **May 11, 2022**, on the captioned subject and your letter dated **July 26, 2022**, accepting our rating & use thereof.

1. Our Rating Committee has assigned the following ratings:

Sl. No.	Facility	Amount (Rs. Crore)	Rating	Rating Action
1	Long Term Bank Facility	100.00	IVR BBB-/ Stable (IVR Triple B Minus with a Stable Outlook)	Assigned
<b>Total</b>		<b>100.00</b>	<b>INR Hundred Crores Only</b>	

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short term and explanatory notes thereon are attached in **Annexure II**.

3. The press release for the rating(s) will be communicated to you shortly.

4. If the proposed long term / short term facility (if any) is not availed within a period of six months/ three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.

5. The above rating is normally valid for a period of one year from the date of our **initial communication** (i.e., July 25, 2022) of rating to you (valid till **July 24, 2023**).

6. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.

*2.A*



7. Further in terms of the mandate executed with us, you have undertaken to comply with the following: -

- a. Inform INFOMERICS before availing any new bank facility/ies and/or of any changes in the terms, conditions and/or size of the facilities rated.
- b. Furnish all material information and any other information in a timely manner as may be required by INFOMERICS, for monitoring the Rating assigned during the tenure of the bank facilities rated by INFOMERICS.
- c. Co-operate with and enable INFOMERICS to arrive at and maintain a true and fair rating and in particular, provide INFOMERICS with true, adequate, accurate, fair, and timely information for the purpose.
- d. Inform INFOMERICS, in writing and in a timely manner, of any other developments which may have a direct or indirect impact on the CLIENT's debt servicing capability including any proposal for re-schedulement or postponement of the repayment programs of the dues/ debts of the CLIENT with any lender (s)/ investor (s) within seven days from the date of such developments/ proposal.

**8. You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to [nds@Infomerics.com](mailto:nds@Infomerics.com) and to the mail id of the undersigned.

**9. You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**

10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance on the basis of best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.

11. INFOMERICS reserves the right to withdraw/revise/reaffirm the rating assigned based on new information. INFOMERICS is also entitled to publicise/disseminate such withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

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12. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse, or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.

13. In case you require any clarification, you are welcome to communicate with us in this regard.

Thanking you,

With Regards,

**Riddham Agarwal**

Rating Analyst

[riddham.agarwal@infomerics.com](mailto:riddham.agarwal@infomerics.com)

**Avik Podder**

Assistant Vice President

[apodder@infomerics.com](mailto:apodder@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, suspend 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 I

### Details of Rated Facilities

#### 1A. Long Term Facilities- Term Loan

Lender	Rated amount (Rs. Crore)	Maturity date
SBI Bank	100.00	March 2026
<b>Total</b>	<b>100.00</b>	

**Total Bank Facilities Related (1A) = Rs. 100.00 crore**

## ANNEXURE II

### INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
IVR AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
IVR A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
IVR BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
IVR BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
IVR B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
IVR C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
IVR D	Instruments with this rating are in default or are expected to be in default soon.

*INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.*

*INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.*

### INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

*INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.*

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## Press Release

### Ratnabhumi Developers Limited

July 27, 2022

#### Rating

Instrument/ Facility*	Amount (Rs. Crore)	Rating	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	100.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Assigned	Simple
Total	<b>100.00</b>	<b>INR Hundred Crores Only</b>		

\*Details of Facilities are in Annexure 1

#### Detailed Rationale

The rating assigned to the bank facilities of Ratnabhumi Developers Limited (RDL) draws comfort from its experienced promoters and management team, favourable project cost structure with low reliance on external debt and satisfactory saleability with healthy booking status for its launched projects. However, these rating strengths are partially offset by project execution risk and exposure to risks relating to cyclical in real estate industry.

#### Key Rating Sensitivities

##### Upward Factors

- Timely receipt of customer advances
- Sustenance of support from the promoters
- Healthy booking status on a sustained basis

##### Downward Factors

- Lower than expected booking Status
- Delay in completion of the project

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

##### Key Rating Strengths

- **Experienced promoters and management team**

RDL is a part of Ahmedabad based, Ratna Group founded by Mr. Jitendra Shah in the early 1980s. Mr. Shah have an experience in the real estate industry for over three decades. The experience of the group varies from land acquisition, authority Liaoning, planned development, identification of project types and locations as well as construction development and



## Press Release

maintenance of projects commissioned under residential/ commercial/ retail/ plotting or industrial.

Mr. Kaivan Shah, son of Mr. Jitendra Shah, is currently the chairperson of the group, having vast experience of more than 15 years in commercial and residential real estate construction and related matters.

- **Favourable project cost structure with low reliance on external debt**

The total cost of the ongoing projects is envisaged at Rs.283.32 crore, with Rs.76.83 crore to be funded through customer advances, Rs.91.69 crore through promoter's funding and the rest Rs.114.00 crore through debt.

- **Satisfactory saleability with healthy booking status**

The sales momentum till May 2022 remained satisfactory with ~55% of launched residential units being offered/sold out. Adequate sales momentum of the remaining inventory and collection efficiency remain crucial to the project cash flows and hence will be a key rating monitorable, going forward.

### Key Rating Weaknesses

- **Project execution risk**

The company has a total of three ongoing projects, of which it has completed more than ~40% of the construction work in the projects, indicative of relatively high project implementation risk, given the early to mid-stage of its project execution. Further, the expected date of completion of its ongoing projects is by 2026, whereby the implementation period makes the company susceptible to time and cost overruns, which may impact profitability. Once operational, ability to sell the units is key to meet the debt obligation on time

- **Exposure to risks relating to cyclicity in real estate industry**

Being a cyclical industry, real estate depends on macro-economic factors and the company's dependence on a particular geography further heightens such risk. The real industry also remains susceptible to regulatory risk. Cumulatively, these may have a material bearing on the real estate project cash flows. This may impact the debt servicing ability of the company. Managing the same thus remains critical



## Press Release

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Real Estate Companies](#)

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

**Liquidity Position: Adequate**

The company executes its ongoing projects majorly by means of customer advances and promoters' contribution (~67%) thereby reducing its dependence on debt. Further, the company is likely to benefit from the resourcefulness of the promoters. Favourable repayment structure for the debt availed for the project also provides some comfort. Overall liquidity position is expected to remain adequate in the near term.

**About the Company**

Ratnabhumi Developers Limited (RDL), incorporated on July 27, 2007, is a part of Ahmedabad based, Ratna Group 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 projects undergoing with construction area of 10,68,435 square feet, with estimated project cost totalling to Rs.283 crores. The projects are the combination of both residential and commercial retail shop located in Ahmedabad.

**Financials (Standalone)**

**(Rs. crore)**

<b>For the year ended* / As On</b>	<b>31-03-2021</b>	<b>31-03-2022</b>
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	4.14	1.76
EBITDA	1.09	2.72
PAT	0.82	0.17
Total Debt	0.56	41.64
Tangible Net worth	34.60	34.76
EBITDA Margin (%)	26.22	NM <sup>#</sup>
PAT Margin (%)	19.70	9.59





## Press Release

For the year ended* / As On	31-03-2021	31-03-2022
Overall Gearing Ratio (x)	0.02	1.20
Interest Coverage Ratio (x)	NM	1.06

\*Classification as per Infomerics' standards

#Not Meaningful

Since RDL is engaged in undertaking construction of commercial/residential projects, its revenue profile is largely dependent on completion of the project, leading to volatility in overall operating income

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

**Rating History for last three years:**

Name of Instrument/ Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
	Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
Term Loan	Long Term	100.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	-	-	-

**Name and Contact Details of the Rating Analyst:**

Name: Mr. Riddham Agarwal	Name: Mr. Avik Podder
Tel: (033) 46022266	Tel: (033) 46022266
Email: <a href="mailto:riddham.agarwal@infomerics.com">riddham.agarwal@infomerics.com</a>	Email: <a href="mailto:apodder@infomerics.com">apodder@infomerics.com</a>

### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust, and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.



## Press Release

For more information visit [www.infomerics.com](http://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, suspend 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 BBB-/ Stable
<b>Total</b>				<b>100.00</b>	

**Annexure 2: Facility wise lender details:** <https://www.infomerics.com/admin/prfiles/Lender-Ratnabhumi-27-07-22.pdf>

**Annexure 3: List of companies considered for Consolidated Analysis:** Not Applicable

**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).