



Developer Grading Rationale

November 17, 2021, Pune

Rohan Builders and Developers Pvt Ltd

Developer grading

DA2+

Valid until: November 16, 2022

Detailed rationale

CRISIL has reaffirmed its '**DA2+**' real estate developer grading on Rohan Builders and Developers Pvt Ltd (RBDPL). The grading indicates the developer has '**very good**' ability to execute real estate projects with specified quality within the stipulated time and to transfer a clean title.

The group derives strength from its promoter's experience in the real estate sector, project development strategies with standardised workflow processes and systems, and sound marketing strategy. Promoter Suhas Lunkad has more than three decades of experience in the real estate sector and adequate understanding of the area of the group's operations (Pune and Bengaluru). RBDPL has a qualified second tier management that holds the decision-making power. The promoter only participates in strategic, organisational and land acquisition-related decision-making meetings. Operational decisions are taken by the second line of management. The group has completed 50+ projects in phases covering 130 lakh sq ft saleable area as of October 2021. It has 13 ongoing projects in phases (5 in Bengaluru and 8 in Pune) admeasuring 29.87 lakh sq ft as of October 2021.

The group's strengths are partially offset by its aggressive development plans for the ongoing projects admeasuring 29.87 lakh sq ft. (to be executed over the next 2-3 years) and projects of 32.67 lakh sq ft planned in the medium-long term. The group has a geographical concentration risk as its presence is limited to Pune and Bengaluru, and only to the residential segment. However, it has adequate systems and processes in place to ensure quick completion of tasks and reduction in manual intervention.

RBDPL's financial risk profile is adequate as of fiscal 2021, as reflected in its net worth of Rs 716.56 crore and low gearing of 0.32 times. It posted profit after tax (PAT) of Rs 52.87 crore and net cash accrual of Rs.60.85 cr in the fiscal compared with PAT of Rs 43.63 crore and net cash accrual of Rs.52.23 cr in fiscal 2020. Its net sales increased to Rs 339.84 crore in fiscal 2021 from Rs 272.08 crore last fiscal. Liquidity is comfortable, driven by healthy bookings for the ongoing projects and timely receipt of customer advances.

The Covid-19 pandemic's impact: RBDPL started operating at 40% labour capacity from May 2020 onwards and at 100% capacity starting September 2020. It has set up labour camps for a few ongoing projects, which provide lodging for the workforce to prevent their shortage and to retain migrant labourers. There were no major delays in the ongoing projects as the group keeps a buffer between the internal schedule and the proposed timeline. Considering a surge in the number of Covid-19 cases in Pune and Bengaluru, further lockdown restrictions can cause delays and adversely impact project cash flows.



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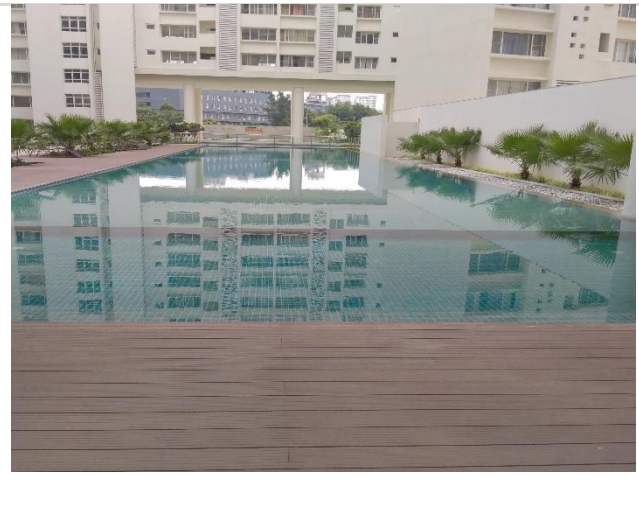
About the developer

Founded by Suhas Lunkad in 1994, Group commands a strong position in industrial and infrastructure construction, and real estate development. The group undertakes industrial construction projects on a turnkey basis across India, real estate development projects in Pune and Bengaluru, and road construction projects on a build-operate-transfer (BOT) basis primarily in Punjab and Rajasthan. The development strategy focuses on completing ongoing projects that are undertaken largely on own land, which requires upfront investment, and are funded through customer advances.

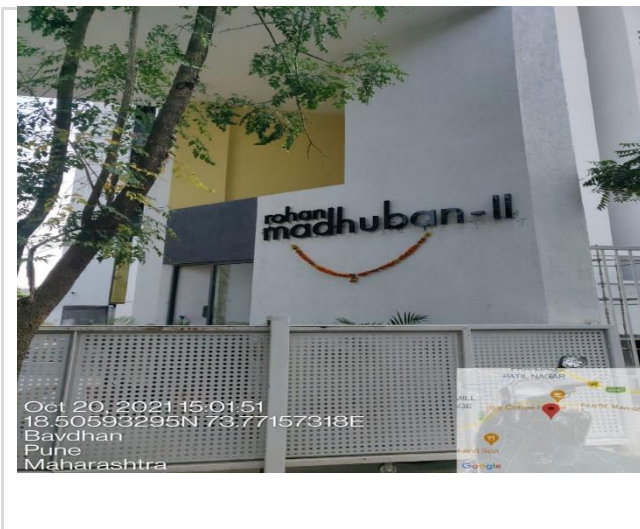
Photographs

Completed projects

Rohan Iksha (Bengaluru)



Rohan Madhuban – II (Pune)

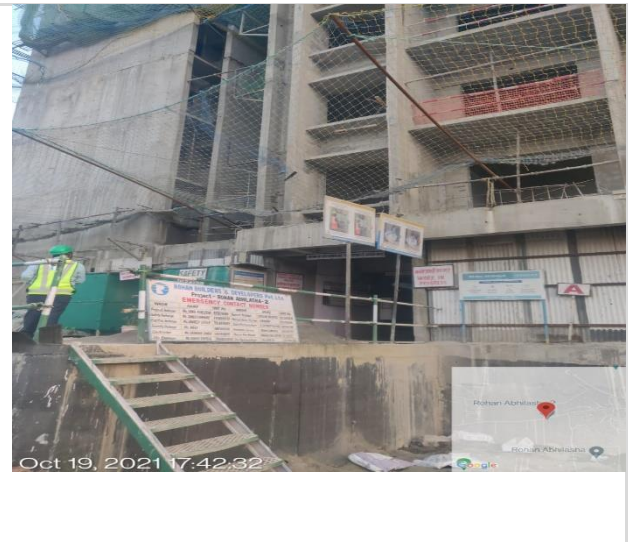


Ongoing projects

Rohan Abhilasha 1 (B) (Pune)



Rohan Abhilasha – 2 (A and B) (Pune)



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