

Developer Grading Rationale

April 5, 2019 Pune

Rohan Builders and Developers Private Limited

Developer grading	DA2+ (Reaffirmed)
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Valid till: April 4, 2020

Detailed rationale

CRISIL has reaffirmed its real estate developer grading of 'DA2+' on Rohan Builders and Developers Pvt Ltd (RBDPL). The grading indicates that the developer's ability to execute real estate projects as per the specified quality level and within the stipulated time schedule, and to transfer a clean title, is 'Very Good.'

The grading continues to reflect RBDPL's robust systems and processes, and the promoters' vast experience in project development. These strengths are partially offset by aggressive development plans and exposure to revenue concentration risks.

A fully functional enterprise resource planning package set up across business divisions and branches, in real estate, helps the group successfully manage the current scale of operations. The promoters only participate in strategic organisational and land acquisition-related decision-making meetings; operational decisions are taken by the second line of management. The grading also reflects the group's experience in developing mid-sized residential projects and its sound development and marketing strategies. The group has developed 11.18 million square feet (sq ft) of real estate projects so far. Its land acquisition strategy involves outright purchase of land, and establishment of clear ownership titles. The marketing strategy involves unique selling concepts, such as perfect ventilation, lively light, utmost privacy, and smart space (PLUS) homes.

These grading strengths are partially offset by Rohan's aggressive development plans, with ongoing projects aggregating 1.8 million square feet (to be executed over the next 2-3 years) and projects of 4.9 million square feet planned for the long term. Exposure to geographic concentration risks persists, given that the projects are largely centred in Pune.

About the developer

The Rohan group, set up by Mr Suhas Lunkad in 1992, has a strong market position in the industrial and infrastructure construction and real estate development sectors. Mr Lunkad has over 35 years of experience in the construction business. The group undertakes industrial construction projects on contract and turnkey basis across India, real estate development projects in Pune and Bengaluru, and road construction projects on build-operate-transfer (BOT) basis, primarily in Punjab and Rajasthan. Till date, the group has completed nearly 48 real estate projects, most of them in the residential segment, with an aggregate area of 11.18 million square feet.

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