



Press Release

Ragone Family Trust

February 21, 2025

Ratings

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

Details of Facilities/ Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the rating for Ragone Family Trust (RFT), highlighting strengths such as favourable project location, secured financial closure, strong revenue potential, and an escrow mechanism which prioritises debt servicing. However, weaknesses include susceptibility to real estate market cyclicality, slow project progress, and high-ticket size of the residential units. These factors suggest both opportunities and risks, with the trust benefiting from secure funding and location advantages but facing challenges by way of exposure to real estate market volatility and delayed project execution.

The 'Stable' outlook reflects Infomerics' view that the company will be able to complete the construction of the residential project and sell all the units over the next few quarters. Moderate debt levels vis-à-vis per unit realisations and expected cash inflows is expected to translate into ease of repayments.

Key Rating Sensitivities:

Upward Factors

- Significant progress achieved in construction which would allow the company to offer the units for sale and avail customer advances would be positive for the rating.
- Strong cash flow generation translating into comfortable liquidity position

Downward Factors

- Any further cost or time overrun in completing the project.



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- Lower than expected booking status leading to cash flow mismatches.

List of Key Rating Drivers with Detailed Description

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 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 the Coastal Road connecting directly to Bandra Worli Sea link, Nariman Point, Worli and proposed 4-lane elevated corridor which will directly link the Coastal Road with the Atal Setu. Further the side is located 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.

Project cost contained despite delays, financial closure achieved

The total revised project cost is Rs. 201.69 crore to be funded by promoter contribution of Rs.101.69 crore and term loan of Rs.100 crore. The cost has been revised downwards slightly from earlier estimates, despite no construction progress since the last year, on account of decrease in material cost (steel and concrete) due to change in design of the project which eliminates the need for pillars. The new design incorporates columnless floor plates which improves aesthetics while simultaneously bringing down consumption of steel and concrete. Additionally, the cost of steel has decline over the past two years leading to significant savings.

RFT has tied up term loan of Rs.100 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. 92.54 crore which has been funded through a mix of Rs. 71.25 crore from promoters and Rs. 21.29 crore term loan.



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Escrow mechanism prioritizes debt repayments

The company has implemented an escrow mechanism with a defined waterfall structure, ensuring that bank repayments are prioritized. This provides a low-risk profile from the lender's perspective. Given the proposed high-ticket sizes of units proposed for sale, the company's financial stability is further reinforced. Even if the company sells just a single flat, the proceeds would be sufficient to cover the entire term loan repayment obligations.

Key Rating Weaknesses

Susceptibility to cyclicality 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. Also, the industry is highly cyclical to the economic cycles a country undergoes.

Slow progress of the project

The progress of the project has been slow, primarily due to the disruptions caused by the post-COVID-19 period and the changes in government in 2022 and 2024. Additionally, the Government issued new guidelines allowing additional FSI which allowed the company to plan for construction up to 16 floors whereas earlier the company have approval for construction of fewer floors. As a result, the company had to seek fresh approvals from both the state government authorities and Mumbai Municipal Corporation, causing delays. The changes in Government in Maharashtra State in the past three years post Covid also led to delay in getting the necessary approvals and extension of the project timeline which was beyond the control of the RFT. While the earlier expected completion date was February 2026, it has now been extended to July 2026.

Customer advances could be delayed till the company achieve significant progress

The project is ultra luxury residential building. RFT proposes to sell the units when 75% of the proposed work is completed, which is expected to be achieved by August-September 2025. The potential buyers are likely to purchase apartments in this project only when construction is nearing completion and project related risks are minimal. Infomerics believes that RFT will have adequate level of inflows once the booking starts.



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Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity –Adequate

The project SCOD has been revised to July 2026 from February 2026 with no major cost overruns. RFT is projected to maintain an adequate level of inflow and the same is expected to increase gradually with increase in bookings. 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) was incorporated in June 2007 Mrs. Neha Nikhil Gandhi, Ms Akshita Nikhil Gandhi and Ms. Priyanka Nikhil Gandhi are the beneficiaries of the trust. 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.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	--	--
EBITDA	-0.02	-0.02
PAT	-0.02	0.02
Total Debt	--	21.29
Tangible Net Worth	111.25	111.28
EBITDA Margin (%)	--	--
PAT Margin (%)	NM#	NM
Overall Gearing Ratio (x)	--	0.19
Interest Coverage (x)	NM	NM

* Classification as per Infomerics’ standards.

#Not Meaningful



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Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
				February 21, 2025	December 19, 2023	--	--
1.	Term Loan	Long Term	100.00	IVR BB- /Stable	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 Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.



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For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned
Term Loan	--	--	--	July 2026	100.00	IVR BB- /Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ragone-feb25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.