Runwal Construction Private Limited

October 17, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	530.00	CARE BBB+; Positive	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the long-term bank facilities of Runwal Construction Private Limited (RCPL) derives strength from being part of the Sandeep Runwal Group (Runwal Realty) and its extensive experience in the real estate industry marked by strong development track record. The rating also factors in the presence of diversified revenue streams with mix of income from residential projects and commercial leasing with over 80% area tied up, which is likely to improve the leasing income in the near term. The rating also favourably takes into cognisance the RCPL's satisfactory operational efficiency in residential portfolio with comfortable booking status and moderate execution risk owing to comfortable committed receivables.

However, rating strengths are partially offset by the company's modest size of bookings and collections, moderately leverage financial risk profile, marketing risk for unsold inventory in ongoing and future projects, geographical concentration risk, and inherent cyclicality of real estate sector. Going forward, the company's ability to scale up bookings and collections while maintaining a comfortable financial risk profile will remain a key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in the group's overall sales and collections and maintenance of healthy occupancy level in the commercial segment and maintenance of comfortable leverage profile.
- Significant improvement in the RCPL's collections while maintaining comfortable financial risk profile.

Negative factors

- Considerable decline in the RCPL's operational cashflows due to lower-than-envisaged sales momentum and collection efficiency.
- Deterioration in the RCPL's committed receivable coverage ratio below 60%, on a sustained basis.
- Deterioration in the credit profile of Runwal Developers Limited (RDL).

Analytical approach: Standalone, while factoring linkages with parent- RDL. CARE Ratings Limited (CareEdge Ratings) has applied its parent notch-up framework to factor in the managerial and financial linkages with RDL.

Outlook: Positive

The Positive outlook reflects CareEdge Ratings' expectation of an improvement in RCPL's collection and leverage profile, driven by the delivery of certain phases of the Sanctuary project and the consequent reduction in debt on the said project, and the launch of a new phase under the Enchanted project. The outlook also factors in the group's ability to maintain steady leasing income, supported by healthy occupancy levels across its commercial portfolio.

Detailed description of key rating drivers:

Key strengths

Strong track record and established market position

Sandeep Runwal group (Runwal Realty) has an established track record of over four decades in real estate development. Till date, it has delivered several projects across residential, commercial, and retail projects. It operates in the luxury, premium, and large-format township categories in residential development. The group also owns and manages a large retail mall chain in Mumbai with over 18 lsf of gross leasable area (GLA), consisting of four malls - R City Ghatkopar, R Mall Thane, R Mall Mulund, and R Odeon Mall Ghatkopar. It has over 20 years of experience in managing retail operations. Owing to established market position, the group witnessed healthy sales of over 67% of the total area launched in the ongoing residential project portfolio, where most projects continue to be in the intermediate stage of development. The company is expected to benefit from the strong track record of development and established brand position.

Comfortable booking status and commercial portfolio stability

As on June 30, 2025, the company has sold inventory of over ~₹1,850 crore in its ongoing residential projects, accounting for ~70% of total revenue potential. In area terms the company has sold ~68% of total saleable area in ongoing projects launched for sale and has incurred ~67% of total projected cost for these projects, which reflects the company's comfortable operational efficiency. In the commercial portfolio, the company owns and operates R Mall in Thane, which has a leasable area of 3.59 lakh

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

sq. ft. As on June 30, 2025, over 80% of the space is leased to multiple tenants. Occupancy levels are expected to further improve in the near term, supported by the signing of new Letters of Intent (LOIs).

Moderate execution risk
RCPL is currently executing two residential projects, which are being funded through a mix of promoter contributions, external debt, and customer advances. As on June 30, 2025, the company has incurred a project cost of over ₹1,200 crore across its ongoing and upcoming real estate developments, constituting over 65% of the total estimated cost. Over 70% of this cost has been funded through customer advances while balance met through promoter equity and debt.

The remaining project cost of over ₹600 crore is also expected to be largely funded through customer advances, with committed receivables covering over 80% of the balance project cost and outstanding debt. However, the Enchanted project has relatively lower committed receivable cover of ~68%, indicating moderate reliance on fresh sales for funding. CareEdge Ratings notes that the company has plans to launch future phase of this project, which may elevate execution risk and moderate the receivable coverage ratio initially. The company's ability to sustain sales momentum and timely collect receivables will remain key monitorable.

Key weaknesses

Moderately leveraged financial risk profile
As on June 30, 2025, RCPL's outstanding external debt stood at ~₹400 crore, with ~35% comprising lease rental discounting (LRD) loan, which is self-liquidating and backed by adequate rental income. However, the company's debt coverage metrics are anticipated to remain moderate, with a debt-to-rental ratio of ~8x and a cash coverage ratio (CCR) below 1.10x, upon full disbursement of LRD loan.

In the residential segment, RCPL's collections stood in the range of ₹250-400 crore in the last three years, against a gross debt level of ₹200-300 crore. This translates to a moderate debt-to-collections ratio of ~1x, reflecting a moderate leverage profile. Going forward, with the completion of the Sanctuary project, collections are expected to improve, and the associated debt is likely to be repaid. Improvement in sales and construction progress of Enchanted project will also remain monitorable.

Moderately high unsold inventory
While the company has achieved comfortable bookings of over 65% of area as on June 30, 2025. Sales traction has remained moderate in the last 12 months, with average quarterly bookings of ~₹115 crore. At the current pace, the company is estimated to liquidate the balance inventory over the next ~8 quarters (~24 months).

One of the key ongoing projects, 'R Enhanced' at Thane–Kolshet Road, having saleable area of ~8.50 lsf, was launched in in multiple phases since FY22. As of June 2025, the project has achieved sales of ~38% of its total area, while construction progress (determined by percentage of cost incurred) stands at ~42%. Pace of execution and sales is yet to achieve substantial progress, to support timely collections and project cash flows, which will remain monitorable.

Modest scale of operations and geographic concentration risk
RCPL is currently executing only two residential projects with total saleable area of 16 lsf. The company also plans to launch future phase of Enchanted project in the near term. While this reflects continued project momentum, the overall scale of operations remains modest with bookings and collections in the range of ₹250-400 crore. This tempers the company's ability to absorb sectoral volatility and benefit from economies of scale. RCPL's operations also remain geographically concentrated, with major presence in MMR market.

Inherent cyclical nature of the real estate industry
The group is exposed to the cyclicality associated with the real estate sector, which has direct linkage with the general macroeconomic scenario, interest rates, and level of disposable income. In case of the real estate companies, the profitability depends highly on property markets. A high-interest rate scenario could discourage consumers from borrowing to finance real estate purchases and might depress the real estate market.

Liquidity: Adequate

As on March 31, 2025, the company maintained free liquid balances of ~₹16 crore. Additionally, the company has access to undrawn limits exceeding ~₹400 crore. The committed receivables cover over 80% of balance project and debt commitments, which reflects cash flow visibility. Consequently, the company's cash flow from operations is expected to remain comfortable to service its upcoming debt obligations.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default]
[Factoring Linkages Parent Sub JV Group]
[Liquidity Analysis of Non-financial sector entities]
[Rating Outlook and Rating Watch]
[Financial Ratios – Non financial Sector]
[Rating methodology for Real estate sector]

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Incorporated in January 1984, as Runwal Constructions (a Partnership Firm) and later converted into private limited, RCPL is a part of Sandeep Runwal group (Runwal Realty). The group has over four decades of experience in real estate industry with development track record of delivering several projects across residential, retail, and commercial spaces. RCPL has executed over 10 residential and commercial projects in MMR.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	9.01	32.98
PBILDT	-10.95	-17.31
PAT	164.05	8.70
Overall gearing (times)	1.37	2.90
Interest coverage (times)	-1.23	-0.77

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	February - 2040	530.00	CARE BBB+; Positive

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	530.00	CARE BBB+; Positive	-	-	-	-

LT: Long term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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