Regency Nirman Limited

September 25, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	100.00	CARE A-; Stable / CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the long-term and short-term ratings assigned to bank facilities of Regency Nirman Limited (RNL) derives strength from established track record in real estate development in Mumbai and Pune region despite regional concentration, healthy profitability, comfortable solvency position, and strong liquidity position. Ratings also consider availability of a sizeable land bank for future expansion and favourable location of ongoing projects.

Rating strengths are tempered by exposure towards subsidiary and group companies and portion of net worth being deployed in non-core activities, execution and marketing risks associated with the ongoing projects, and inherent cyclical nature of the real estate industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant traction in project execution with over 70% of aggregate cost incurred, accompanied with healthy bookings and collections leading to improved cash flows and debt coverage indicators.

Negative factors

- Considerable decline in the operating cash flows of the company considering lower-than-envisaged sales momentum and collection efficiency.
- Net debt (debt position less liquidity) exceeding ₹100 crore resulting in deterioration of financial risk profile and decline in liquidity buffer.

Analytical approach: Standalone

Standalone while factoring in potential support requirement in subsidiaries, limited liability partnerships (LLPs) and other entities within the group.

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the company will continue to benefit from its established presence in Mumbai Metropolitan Region's (MMR's) real estate market further supported by its comfortable capital structure.

Key strengths

Experienced promoters and established track record in industry

RNL is promoted by Mahesh Khairari and his brothers, Ramkishore Khairari and Subhash Khairari. Promoters have over two decades of experience in constructing and developing residential buildings. They are supported by a team of qualified professionals with significant expertise in their respective fields. In the last two decades, the group successfully completed over 20 real estate projects across Thane, Pune, and other regions, admeasuring over 100 lakh square feet (lsf) of saleable area. Promoters have a strong reputation in developing real estate projects, particularly in Dombivli and Ulhasnagar areas in MMR.

Favourable location of ongoing projects

RNL's ongoing projects, having saleable area of ~14.49 lsf are at Dombivli and Ulhasnagar and majority projects are part of existing townships already developed by the Regency group. The projects are at varying stages of completion - ranging from initial to intermediate stage. These areas are primarily residential, with some commercial spaces and retail shops. These locations

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

are well-connected by road and rail to other parts of the city, with the vicinity including schools, hospitals and malls, making them a favourable location.

Comfortable solvency position

RNL operates at a moderate scale of operations and follows policy of sales booking at time of occupancy certificate (OC), however, the company has started launching under-construction projects as well. RNL has had total bookings of ₹523 crore and collections of ₹211 crore for FY26 (Provisional) for a total ongoing project Gross Development Value (GDV) of ~₹1,600 crore against total bookings of ₹426 crore and collections of ₹203 crore for FY25 for a total ongoing project GDV of ~₹1,900 crore. The company has a comfortable capital structure as reflected by overall gearing of 0.10x and a healthy net worth base of ~₹2,700 crore as on March 31, 2026. In the last five years, RNL has earned healthy profitability on projects, with no dividend payout, which has resulted in built-up of its net worth base. All the ongoing projects are funded through customer advances and promoter funding, no bank debt is availed for project execution. The company only avails overdraft (OD) facilities, which are fully backed by fixed deposits (FDs), therefore the company's net debt (debt position less liquidity) remains nil. Debt protection metrics also remain comfortable, driven by minimal dependence on external borrowings and healthy operating profitability.

Availability of land bank

RNL has a sizeable land bank of ~120 acres in MMR, Panvel, and Khopoli, coupled with land holdings in other group entities, which provides scope for future real estate development. Availability of land bank provides the company with flexibility in planning and executing upcoming projects, catering to evolving market demands and supporting long-term business growth. It also supports its healthy profitability due to lower land costs.

Key weaknesses

Exposure to subsidiary and group companies and some portion of net worth being deployed in non-core activities

As on March 31, 2026, the aggregate exposure in the form of investments, loans and advances to group companies and special purpose vehicles (SPVs) stood at ~₹1,338 crore. The exposure includes investments towards the core real estate business, and non-core lending, securities and solar power business undertaken on an arm's-length basis. Of the total loans and advances exposure, ~17% was towards the lending business and ~30% towards the recently entered solar power business as on March 31, 2026. In FY25, the company had extended a corporate guarantee of ₹750 crore to its subsidiary, Regency Power Infra Private Limited, for undertaking a solar power project under the PM-KUSUM Scheme. The company has commissioned the plant of 213 MW by May 2026 with 25-year PPA signed with MSEDCL. However, the loan availed by Regency Power Infra Private Limited is ₹511 crore, of which ₹41 crore has been repaid as on June 30, 2026. The guarantee is stated to remain valid only until the completion of the 12-month stabilisation period and not for the entire facility tenor. Any significant incremental exposure towards group companies, related parties or other such entities, which could constrain the available liquidity at RNL's level, will remain a key rating monitorable.

Project execution and marketing risk

RNL is currently executing five residential projects, admeasuring a total saleable area of 14.49 lsf. Projects are between initial to intermediate stages of execution as on March 31, 2026. Aggregate estimated cost of these projects is ₹971 crore, of which ₹422 crore (~43%) has been incurred as on June 30, 2026. With ~56% of the cost yet-to-be incurred, projects remain exposed to execution risk. However, the company has adequate liquidity available in the form of committed receivables and unutilised OD backed FD limits for timely execution of these projects, mitigating the risk to an extent. As on June 30, 2026, ~65% of the total saleable area remains unsold, indicating saleability risk. As most of these projects are at initial stages of execution, sales momentum has remained slow, due the company's strategy of actively marketing its projects only at intermediate to near-completion stage. As on June 30, 2026, RNL has aggregate committed receivables of ~₹319 crore, which covers ~58% of pending costs of ongoing projects. Delay in receiving funds from customers or challenges in achieving timely sales at expected rates, especially given the competition from other renowned players in the vicinity, will be crucial. These projects being part of larger and existing township developments, where RNL has demonstrated a sales track record of delivering affordable and luxurious residences in the past, helps mitigate risk to some extent.

Cyclical nature of real estate industry and exposure to regulatory risks

The company remains exposed to the inherent cyclicality of the real estate sector, which is influenced by the overall macroeconomic environment, interest rates, and levels of disposable income. Demand and profitability of real estate developers are sensitive to prevailing property market conditions. A sustained increase in interest rates could adversely impact homebuyers' borrowing capacity and affordability, moderating property demand and sales velocity. The sector is also exposed to changes in

regulatory policies and approval processes. Any adverse changes in regulations, delays in approvals or weakening in property market conditions could impact the company's sales, cash flows and profitability.

Liquidity: Strong

The company's liquidity position is strong, characterised by minimal dependence on external borrowings for project execution, nil debt repayment obligations in medium term and liquid investments of ~₹500 crore as on June 30, 2026 (OD outstanding as on June 30, 2026, is ₹53.94 crore against FD of ₹ 410 crore). Average utilisation of OD facilities stood at ~51% for 12 months ending March 31, 2026, providing sufficient cushion to liquidity.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Rating methodology for Real estate sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated in 2005 by Mahesh Khairari, RNL is engaged in real estate development, mainly in the MMR. Konark Projects Limited, promoted by the Khairari family, holds ~59% stake in RNL. In the last two decades, the group successfully completed over 20 residential projects across Thane, Pune, Lonavala, and other regions, admeasuring over 100 lsf of saleable area. Currently, RNL is developing five residential projects, admeasuring a total saleable area of 14.49 lsf.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	583.53	1041.02
PBILDT*	283.68	494.77
Profit after tax (PAT)	184.45	475.47
Overall gearing (x)	0.12	0.10
Interest coverage (x)	16.61	33.24

A: Audited; UA: Unaudited; NM: Not Meaningful; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax, includes interest income of ₹100-120 crore on the loans and advances extended by the company.

Status of non-cooperation with previous CRA: ICRA has reviewed the rating assigned to the bank loan facilities of Regency Nirman Limited under 'Issuer Not Cooperating' category vide press release dated March 18, 2026, considering its inability to carry out a rating review in the absence of requisite information from the company and non-payment of surveillance fees.

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term	RBI	Simple	-	-	-	NA^	100.00	CARE A-; Stable/ CARE A2+

^Proposed Limit

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 2026-2027	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
1	Fund-based/Non-fund-based-LT/ST	LT/ST	100.00	CARE A-; Stable/ CARE A2+	-	1) CARE A-; Stable/ CARE A2+ (27-Jun-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: 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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Divyesh Bharat Shah Director **CARE Ratings Limited** Phone: +91-020-4000 9069 E-mail: divyesh.shah@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Sonal Bhageria Associate Director **CARE Ratings Limited** Phone: +91-22-6754 3631 E-mail: Sonal.Bhageria@careedge.in Radhika Shrikhande Analyst **CARE Ratings Limited** E-mail: Radhika.shrikhande@careedge.in

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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

For detailed Rating Report and subscription information, please visit www.careratings.com