

R.S. Dream Land Private Limited
April 01, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	12.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Revised from CARE B; Stable; ISSUER NOT COOPERATING on the basis of best available information.
Total	12.00 (Rupees Twelve crore only)		

*Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from R.S. Dream Land Private Limited (RSDPL) to monitor the rating vide e-mail communications/letters dated August 08, 2019, August 23, 2019, September 03, 2019, March 30, 2020 and numerous phone calls. However, despite our repeated requests, the entity has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE'S opinion is not sufficient to arrive at a fair rating. The rating on RSDPL'S bank facilities will now be denoted as **CARE B-; Stable; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The revision in the rating takes in account non-availability of information due to non-cooperation by **R.S. Dream Land Private Limited** with CARE'S efforts to undertake a review of the rating outstanding.

Detailed description of the key rating drivers

At the time of last rating in January 09, 2019 the following were the rating strengths and weaknesses:

Key Rating Weakness

Small scale of operations: The scale of operations of the company remained small with total operating income of Rs.6.50 crore (Rs.1.68 crore in FY17) with a PAT of Rs.0.46 crore (Rs.0.19 crore in FY17) in FY18. Furthermore, the tangible net worth of the company also remained low at Rs.6.77 crore as on March 31, 2018. The small size restricts financial flexibility in times of stress.

Risk associated with geographical and revenue concentration: The company'S operations are restricted to Chhattisgarh since inception indicating high geographical concentration risk. Being confined only in the state of Chhattisgarh, RSDPL remains exposed to the risk associated with slowdown in the real estate market in the region resulting from demand supply mismatch. In recent times, many new real estate projects have been launched in Raipur, by organized and unorganized players due to the surge in property prices coupled with low entry barriers which has led to high competition in real estate market. This apart, currently 'Empressia Elite'S is the sole project of RSDPL which further expose the company to the revenue concentration risk.

Lack of proven project execution capabilities: 'Empressia Elite' is the first real estate project which is being developed by RSDPL. So the company has low project execution capabilities and short track record of execution of real estate project. However, earlier the company was doing the marketing for other real estate companies and the promoters are having more than a decade experience in the related line of business.

Competition from similar type of projects in the adjoining areas: Real estate, while being one of the largest sectors of the economy, is regional and fragmented in nature. In recent times, many new real estate projects have been launched in Raipur, by organized and unorganized players due to the surge in property prices coupled with low entry barriers which has led to high competition in real estate market.

Key Rating Strengths

Experienced promoters: The promoters Mr. Khushi Ram Kundnani and Mr. Kishore Kumar Kundnani have more than a decade of experience in real estate business. They are looking after the day to day operations of the company supported by a team of experienced professionals.

Analytical approach: Standalone

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer not cooperating, based on best available information

Applicable Criteria[Policy in respect of Non-cooperation by issuer](#)[Criteria on assigning 'outlook' and 'credit watch'](#)[Rating Methodology – Real Estate Sector](#)[Financial ratios – Non-Financial Sector](#)[CARE's Policy on Default Recognition](#)**About the Company**

Raipur (Chhattisgarh) based R.S. Dream Land Private Limited (RSDPL) was incorporated in January 2006. Earlier the company was doing the marketing for other real estate companies. Since March 2014, the company has started its own real estate project. The company is currently developing its first project 'Empressia Elite' commonly known as E2 with an aggregate project cost of Rs.26.55 crore with a saleable area of 1.66 lakh square feet. The project is located in the prime location of Raipur, Chhattisgarh. The construction work of the project is given to G.K. Construction and RSDPL is focusing mainly on marketing aspects.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1.68	6.50
PBILDT	0.52	1.18
PAT	0.19	0.46
Overall gearing (times)	0.08	1.37
Interest coverage (times)	3.26	2.63

A: Audited

Status of non-cooperation with previous CRA: CRISIL Ratings has placed its ratings under non-cooperation due to lack of requisite information from the entity as per its press release dated March 19, 2020.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	Feb. 2021	12.00	CARE B-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; Stable; ISSUER NOT COOPERATING* on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	12.00	CARE B-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (09-Jan-19)	1)CARE B+; Stable (17-Nov-17)	-

* Issuer Not Cooperating; based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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