



Press Release

Rupitol Finance Private Limited

January 09, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Facilities- Term Loan	38.61 (Enhanced from Rs.33.32 Crore)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Proposed Long Term Facilities – Term Loan	71.39 (Enhanced from Rs. 55.68 Crore)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Long Term Bank Facilities- Term Loan	0.00	--	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Rating Withdrawn*	Simple
Long Term Bank Facilities- Cash Credit	0.00	--	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Rating Withdrawn*	Simple
Total	110.00 (Rs. One hundred and ten 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.

**Bank facilities that was rated in last rating exercise has been fully repaid and NDC (No dues certificate) has been provided by the RFPL. Withdrawal is at the request of the company and is in line with Infomerics policy of withdrawal.*

Detailed Rationale

Infomerics Ratings has reaffirmed its rating to the Bank facilities of Rupitol Finance Private Limited (RFPL) as it continues to derive comfort from improved earnings profile, comfortable



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capitalization and extensive experience of promoters. However, rating is partially constraint by average asset quality and intense competition in NBFC industry.

The ratings assigned to the long-term bank facilities have been withdrawn at the request of the company as facilities are fully repaid, and No dues certificate has been provided by RFPL. The rating has been withdrawn in accordance with Infomerics' Policy on withdrawal of ratings

Infomerics Ratings expects outlook to remain stable on account of expected growth in AUM on the back of comfortable capitalization levels and consistent growth in overall financial profile of company.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained improvement in the scale of operations while maintaining healthy asset quality, profitability and capitalization.

Downward Factors

- Substantial degrowth in the scale of operations and/or deterioration in asset quality and profitability of RFPL.
- Significant deterioration in the capitalisation levels.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Improved earnings profile**

RFPL's earnings profile has improved marked by NII (Net Interest Income) which has seen a growth of ~96% in FY24 (refers to period of April 2023 to March 2024) and stood at Rs.28.64 crore (Vis-à-vis Rs.14.62 Crore in FY23). The growth is attributed to higher disbursements coupled with introduction of new loan product in FY24. AUM of the RFPL has increased to Rs.160.39 crore (On book Rs.157.31 crore and off book of Rs. 3.08 crore) in FY24. (Vis-à-vis Rs.90.15 Crore in FY23). Despite the increase in borrowing cost, RFPL's NIM remained healthy at 23.20% as on FY24 (FY23:24.14%). Return on Total Assets (ROTA) stood at 5.52% (FY23:5.00%) on the back of improved profitability.



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In H1FY25, earning profile has further improved marked by NII (Net interest income) and PAT which stood at Rs.23.44 crore and Rs.3.6 crore respectively.

- **Comfortable Capitalisation**

RFPL's capitalisation profile remains comfortable marked by total CRAR which stood at 34.91% in FY24 (FY23:47.41%) which is well above regulatory requirement supported by healthy internal accruals. In FY24, tangible net worth improved to Rs.42.24 crore (FY23: Rs 27.79 Crore) on the back of retention of profits and issue of CCDs (Compulsory convertible debentures) amounting to Rs.8.00 crore during the year. In H1FY25, net worth and CRAR has further improved to Rs.45.84 crore and 37.09% respectively.

- **Experienced promoters and management**

Mr. Amit Bolia is the promoter & Managing director of Rupitol. He has experience of 20+ Year in diversified segment including financial sector, combined with entrepreneurial & operational excellence.

RFPL's directors Mr. Gaurav Babel and Mr. Mahesh Kumar Kalani together have a combined experience of four decades in the banking industry. They are supported by a well-qualified management team.

Key Rating Weaknesses

- **Average asset quality**

RFPL's AUM has seen growth of ~74% in FY24 backed by higher disbursements in the secured business loan segment which has seen growth of 124.62% and stood at Rs.64.22 Crore in FY24. However, average tenor being 3 years secured portfolio remains unseasoned.

In FY24, asset quality marked with GNPA and NNPA stood at 0.63% and 0.57%, respectively. (FY23: GNPA and NNPA 0.45% and 0.40% respectively). In H1 FY25, GNPA and NNPA further deteriorated to 1.23% and 1.05% respectively. Asset quality



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has impacted due to change in NPA recognition policy from 150 to 120 days as per RBI guidelines.

- **Competition in NBFC segment**

RFPL is exposed to stiff competition from other NBFCs and banks. The lending industry focused on small ticket loans is highly fragmented with unorganized lenders also vying for the same set of borrowers.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)

[Criteria for assigning Rating outlook.](#)

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

[Policy on Default Recognition and Post-Default Curing Period](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Policy of Withdrawal of Rating](#)

Liquidity – Adequate

RFPL's liquidity remains adequate with total CRAR of 34.91% in FY24. In H1FY25, CRAR further improved to 37.09% which is well above regulatory requirement supported by healthy internal accruals. Also, it has adequately matched asset liability profile as on September 30, 2024, across all the buckets. Moreover, cash and cash equivalents stood healthy at Rs. 27.28 crore as on September 30, 2024.

About the Company

Rupitol Finance Private Limited is a NBFC based out of Rajasthan. The Company was established in 2018 as a private limited company and its registered office is situated in Udaipur, Rajasthan. The Company got its license as a Non-banking Finance Company (Investment and Credit Company) on 30th January, 2020 vide registration number B-10.00309.



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Financials (Standalone):

For the year ended* / As on	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	21.01	45.26
PAT	3.06	6.41
Tangible Net worth	27.79	42.24
Total loan Assets/AUM	89.85	157.11
Ratios		
NIM (%)	24.14	23.20
ROTA (%)	5.00	5.52
Interest Coverage (times)	2.02	1.82
Total CRAR (%)	47.41	34.91
Gross NPA [Stage III] (%)	0.45	0.63
Net NPA [Stage III] (%)	0.40	0.57

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information:

Rating History for last three years:

Sr. No.	Name of Security/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
					-	-	-
1.	Fund based Facilities – Term Loan	Long Term	38.61	IVR BBB-/Stable (January 09,2025) IVR BBB-/Stable (August 30, 2024)	IVR BBB-/Stable (Nov 29, 2023)	-	-
2.	Proposed Fund based Facilities – Term Loan	Long Term	71.39	IVR BBB-/Stable (January 09,2025) IVR BBB-/Stable	IVR BBB-/Stable (Nov 29, 2023)	-	-



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Sr. No.	Name of Security/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
				(August 30, 2024)	-	-	-
3.	Fund based Facilities – Cash Credit	Long Term	0.00	Withdrawn (January 09, 2025) IVR BBB-/Stable (August 30, 2024)	IVR BBB-/Stable (Nov 29, 2023)	-	-
4.	Fund based Facilities – Term Loan	Long Term	0.00	Withdrawn (January 09, 2025) IVR BBB-/Stable (August 30, 2024)	IVR BBB-/Stable (Nov 29, 2023)	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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



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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.

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

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Long Term Bank Facilities- Term Loan	-	-	-	Till July 2028	38.61	-	IVR BBB-/Stable
Proposed Long Term Bank	-	-	-	-	71.39	-	IVR BBB-/Stable



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Facilities- Term Loan							
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Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Rupitol-Finance-09jan25.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