



Press Release

Rupa Renaissance Limited (RRL)

January 31, 2022

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities – Term Loan	218.21 (decreased from Rs. 300.00 crore)	IVR BBB / Stable (IVR Triple B with stable outlook)	Revised	Simple
Long term Bank Facilities – Lease Rental Discounting	52.21	IVR BBB+ / Stable Outlook (IVR Triple B Plus with stable outlook)	Assigned	Simple
Total	270.42 (Two Hundred and Seventy Crore and Forty - Two Lacs)			

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in rating of the bank facilities of Rupa Renaissance Limited factors in completion of project, eliminating project execution risk and time & cost overrun risk.

The ratings continue to derive strength from Experienced promoters, Established track record and Favourable project location. Rating continues to remain constrained on account of Cyclicity in the real estate segment and susceptibility of operating performance to dynamics of commercial real estate segment in and around Navi Mumbai.

Key Rating Sensitivities:

Upward Factors

- Lease of inventory at competitive rates as envisaged and sustained increase in cash flow generation could lead to positive rating action

Downward Factors



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- Lower than expected booking status in terms of area and lease rent as per the schedule arising out of any company specific or external factor will be negative for the rating.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters

The promoters of the company have been associated with the real estate industry for over two decades. Mr. Bimal Desai, chairperson of the group, has over two decades of experience in the construction business. Promoters have infused unsecured loan and converted the same into equity which is reflected in FY2021 audited report, indicating promoter support.

Established track record of the Rupa group

Mumbai based Rupa Group, is a professionally managed diversified business group engaged in Real Estate in Residential Commercial, retail, IT parks, resorts. The group has successfully completed 14 Residential, Commercial projects with total saleable area of 19.26 lacs.sq. ft and presently working on 01 commercial projects (i.e. Rupa Renaissance Limited). Few major constructions of the group include Sapphire, Bhaghbaan, Rupa Solitaire etc. The group has various ventures through Rupa Homes, Rupa Offices, Rupa Resorts thus maintaining brand reputation.

Favourable project location

The project Rupa Renaissance Limited, is located at the prime location in Thane Creek (TTC) Industrial Area, MIDC, Turbhe and Navi Mumbai. Project location is surrounded by all basic necessities and conveniences including shopping centers, grocery stores, healthcare centers, education institutes, business centers, restaurants which can be accessible easily.

Key Rating Weaknesses

Cyclicalities in the real estate segment and susceptibility of operating performance to dynamics of commercial real estate segment in and around Navi Mumbai



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The project is susceptible to economic dynamics of Navi Mumbai and sensitive to regulatory and business environment in and around Navi Mumbai. The project is to be on 100% lease hence, economic situation in the country and in the area is a key rating monitorable as fluctuations in cash inflow may affect the debt servicing ability of the company going forward.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Rating Methodology for Structure Debt Transaction \(Non- securitisation transaction\)](#)

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

Liquidity – Adequate

The liquidity position is projected at an adequate level with the cash cover above unity over FY22-FY24. It is expected to improve y-o-y with increase in lease contracts and reducing debt with scheduled repayments. The overall liquidity position of the company is **Adequate**.

About the Company

Rupa Renaissance Ltd (RRL) is a part of Mumbai based Rupa group. The group is engaged in real estate developments across Mumbai/Maharashtra through its various companies or SPVs. Until now, the group has completed 14 projects in a residential, commercial, Retail, IT parks etc.

Financials (Standalone)*:

(In Crore)

For the year ended / As on	31-03-2019	31-03-2020	31-03-2021
	(Audited)	(Audited)	(Audited)
Total Operating Income	0.00	0.00	0.04
EBITDA	-0.21	0.00	0.00
PAT	-1.12	-3.67	0.07
Total Debt	241.91	226.17	322.04



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Tangible Net-Worth	82.43	241.52	241.59
Ratios			
EBITDA Margin (%)	N/A	N/A	N/A
PAT Margin (%)	N/A	N/A	185.49
Overall Gearing Ratio (x)	2.93	0.94	1.33

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Acuite vide its press release dated October 12, 2021 has classified the rating of bank facilities of RRL under Issuer Not Cooperating status on account of non-submission of relevant information

Any other information: None

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (November 26, 2020)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Term Loan	Long Term	218.21	IVR BBB / Stable	IVR BBB-/ Stable	--	--
2.	Lease Rental Discounting	Long Term	52.21	IVR BBB+ / Stable	-		

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Term Loan	-	-	FY23	218.21	IVR BBB / Stable
LRD	-	-	FY37	52.21	IVR BBB+ / Stable
Total				270.42	

Annexure 2: List of companies considered for consolidated analysis: Nil

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Rupa-Renaissance-lenders-jan22.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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.