



Press Release

Renuka Realty Private Limited (RRPL)

March 21, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities-Term Loan	77.00	IVR BBB-/Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed and Outlook revised from Stable to Positive	Simple
Total	77.00 (Rupees Seventy-Seven 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.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned and revised outlook from stable to positive to the bank facilities of Renuka Realty Private Limited (RRPL). The rating derives strength from favourable project cost structure and location of the project, significant physical progress achieved, sold receivables being adequate to fund major part of balance construction cost and repayments, and experienced promoters in the real estate industry. These rating are constrained due to nature of real estate industry subject to regulations and project execution and marketing risk.

Positive outlook is based on advanced stage of construction, with 75% of overall project completed as on end Feb 2025, and significant sales already achieved. Considering that total term loan sanctioned is Rs.77cr, therefore the total outgo of the project towards repayment and balance construction cost would be Rs.116.88cr. Sold receivables therefore are adequate to fund 77% of the total outgo for the project, which is expected to speed up the pending construction and provide an impetus to sales of remaining units.



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Key Rating Sensitivities:

Upward Factors

- Timely completion of the project
- Sale of unsold inventory at competitive rates

Downward Factors

- Significant delay in completion of project.
- Significant cost overruns of the project.
- Sales of balance units being considerably lower than Infomerics' estimates.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Favorable project cost structure**

The total cost of the project is envisaged at Rs. 184.70 crore with Rs.34.70 crore funded through customer advances, Rs.77 crore through term loan and balance to be funded by promoters. The promoters will be infusing Rs. 44 crores in the form of equity share capital and the balance Rs. 29.00 is the form of unsecured loan. The proportion of bank debt to total project cost is low, at 41.7%.

- **Favorable location of the project**

Tathawade is a developing suburban area in the north-western outskirts of Pune. The locality is a part of Pimpri-Chinchwad area and falls under the influence of Pune Metropolitan Region. Situated on the Mumbai Highway (NH-48), Tathawade shares neighbourhood with Wakad, Punawale, Ravet, Hinjewadi and Nigdi. Proximity with the prime employment hub of Hinjewadi has been a key factor driving real estate demand in Tathawade. Regarded as an educational hub, the locality also hosts many multi-storey apartment projects, both completed as well as under-construction. Location is well connected and enjoys close proximity to road, rail and air.

- **Significant physical progress achieved**

As per the LIE dated December 31, 2024 report the project is completed to the extent of around 70% till December 2024 and it is expected to be completed before the SCOD which is around September 2026. There is also increase in sale of units as compared to FY23,



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as the unsold units were around 151 units at end FY23 which is reduced to 103 units as on Dec 2024 which shows that 48 units is sold in FY24 and 9mFY25.

- **Sold receivables are adequate to fund major part of balance construction cost and repayments**

The total cost of project is Rs.184.70 crore out of which Rs.144.82 crore is already incurred till December 2024 and balance construction cost is only Rs. 39.88 crore. Total value of sold units is Rs. 189.90 crore out of which Rs. 98.97 crore is already received and balance amount of Rs.90.93 crore is receivable.

Considering that total term loan sanctioned is Rs.77cr, therefore the total outgo of the project towards repayment and balance construction cost would be Rs.116.88cr. Sold receivables therefore are adequate to fund 77% of the total outgo. Sales velocity as well as per square foot realizations are expected to pick up as the project nears completion. Average per square foot realization which is achieved till date is Rs.9500 and it is expected to increase up to Rs. 11,500 per square foot as project is nearing completion. Hence project is expected to be comfortably placed with regard to funding over the next one year.

- **Experienced promoters in the real estate industry**

The company is promoted by Mr. Babu Saybanna Mehetre along with his 2 sons. In the last 30 years of experience in real estate sector, promoters have gained vast knowledge relating to real estate projects starting from acquisition of land to getting completion certificates from different corporations. During last 30 years of journey as a developer, they have completed construction area over 15.00 lakhs sq. fts in over 40 residential cum commercial projects.

Key Rating Weaknesses

- **Nature of real estate industry subject to regulations**

The real estate sector is volatile in nature with an inherent liquidity risk associated to it. There may be fluctuations in cash flows due to delayed realization & changes in regulatory requirements. The central law RERA provided the basic framework of consumer protection in real estate transactions: raising disclosure requirements of builders, bridging existing information asymmetry between buyers and builders, and ring-fencing the money paid upfront by buyers.

- **Project execution & marketing risk**



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RRPL'S project is being constructed in 2 phases. The entire project comprises of 5 towers, of which 2 towers are being completed as part of Phase 1. For towers 3-5, company is in process of availing the necessary regulatory clearances and the same has not been factored into the analysis by Infomerics. Achieving the envisaged realizations for the unsold inventory for phase 1 while maintaining the sales momentum remains crucial going forward. Considering that there is still some balance construction work pending, it makes the company susceptible to time and cost overruns, which may affect profitability. For Phase 1, out of 379 number of saleable flats, 276 have been sold and ~25% of the project has to be completed.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Criteria on assigning rating outlook](#)

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

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

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

Liquidity – Adequate

Renuka Realty Private Limited is projected to maintain an adequate level of inflow from sale value of unsold units and the same is expected to increase gradually with increase in bookings/sales realization. In addition, availability of DSRA account will ensure the smooth repayments. DSRA is already funded with 3 months interest. The total cost of project is Rs.184.70 crore out of which Rs.144.82 crore is already incurred till December 2024 and balance construction cost is only Rs. 39.88 crore. Sold receivables are adequate to fund 77% of the total outgo on account of repayments and pending construction costs. Further, the company is likely to benefit from the resourcefulness of the promoters group. Favorable repayment structure for the debt availed for the project (moratorium is available up to September 2026) also provides some comfort. Overall liquidity position is expected to be adequate.

About the Company



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Renuka Realty Private Limited (PAN: AALCR5801Q) is a private limited company incorporated on 19th January 2022. Registered office of the company is situated at Shop No. 8, CTS 980, Street - Bhimnagar, Locality- Chinchawad, Taluka- Haveli, District- Pune, Maharashtra - 411033. Company is promoted by Mr. Babu Saybanna Mehetre along with his 2 sons. It is an SPV incorporated to execute residential cum commercial project “**Renuka Panch Tattva**”.

Company has started developing a residential cum commercial project Renuka Panch Tattva which is located at plot bearing Survey No. 63/8, 63/9/1, 63/9/2, 63/9/3 admeasuring 22,100 Sq. mtrs., lying and being situated at Street- D P Road, Locality- Tathawade, Taluka- Mulshi, District- Pune, Maharashtra- 411033. Total Potential FSI proposed in the IOD layout obtained vide certificate No. BP/EC/ Tathawade/09/2022 dated 31-05-2022 was envisaged at 90,693.11 sq. Mtrs. in proposed 5 buildings. Out of potential FSI of 90.693.11 sq. mtrs, company has received construction permission for FSI of 49,883.74 sq. mtrs. vide commencement certificate No. BP/Tathawade/11/2023 dated 17-02-2023. The debt availed of Rs.77cr is for phase 1 of the project comprising 2 buildings and 379 saleable units. Infomerics has also considered only phase 1 in its assessment.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	0.00	0.00
EBITDA	0.06	9.25
PAT	0.04	5.21
Total Debt	19.00	38.92
Tangible Net Worth	0.04	5.22
EBITDA Margin (%)	-	-
PAT Margin (%)	7940.00	40678.13
Overall Gearing Ratio (x)	523.43	7.46
Interest Coverage (x)	97.17	4.07

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022
					Date (January 18, 2024)	Date (Month XX, 20XX)	Date (Month XX, 20XX)
1.	Term Loan	Long Term	77.00	IVR BBB-/Positive	IVR BBB-/Stable	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Private Ltd] 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 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.

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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)	Rating Assigned/ Outlook
Term Loan	-	-	-	FY2027	77.00	IVR BBB-/Positive

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-renuka-realty-mar25.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.