

December 15, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	91.73	SMERA B+/Stable (Reaffirmed)
Bank Guarantee	42.60	SMERA A4 (Reaffirmed)
Proposed bank facility	15.67	SMERA B+/Stable (Reaffirmed)

SMERA has reaffirmed ratings of '**SMERA B+**' (read as SMERA single B plus) to the long-term (fund based) bank facilities and '**SMERA A4**' (read as SMERA single A four) to the short-term (non-fund based) bank facilities of RPS Infrastructure Limited (RPS). The outlook is '**Stable**'.

The rating is constrained by delays in receipts of customer advances despite high level of bookings registered in the company's ongoing project (named RPS Infinia). The rating factors in risks related to project salability amidst slowdown in the real estate sector. SMERA also notes that the term loan account of RPS was restructured in September 2015 and date of commencement of commercial operations (DCCO) was shifted to 31 March, 2016 from existing 31 March, 2015. However, the rating continues to be supported by the company's experienced management. The rating is also supported by the advance stage of execution of the company's ongoing projects.

Update

RPS is currently developing a 7.58-acre IT Park (named RPS Infinia) in Faridabad, Haryana. RPS has completed ~98 per cent construction of the project; however, the company has received advances of Rs. 155.80 crore, as compared with total expected realization of Rs. 377.08 crore.

Rating Sensitivity Factors

- Timely completion of project
- Improvement in customer advances

Outlook: Stable

SMERA believes RPS will maintain its business risk profile in the medium term on the back of experience of the promoter in the business and advanced stage of execution of the company's ongoing project. The outlook may be revised to 'Positive' if the company generates steady cash flows as per anticipated customer advances from the bookings. Conversely, the outlook may be revised to 'Negative' in case there is any further delay in executing the project or the collections from the bookings gets delayed, thereby creating pressure on liquidity.

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About the Company

RPS, incorporated in 2005, is a Faridabad-based real estate company. RPS is engaged in developing integrated residential and commercial properties.

For FY2014-15, RPS reported net profit of Rs.2.60 crore on total income of Rs.168.77 crore, as compared with net profit of Rs.7.33 crore on total income of Rs.137.46 crore for FY2013-14. RPS's net worth stood at Rs.94.84 crore as on March 31, 2015, as compared with Rs.92.24 crore a year earlier.

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