

## Press Release

### Rupa Infotech and Infrastructure Private Limited

February 03, 2018

### Rating Assigned



<b>Total Bank Facilities Rated*</b>	Rs. 131.00 Cr.
<b>Long Term Rating</b>	SMERA BBB+ / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

SMERA has assigned long-term rating of '**SMERA BBB+**' (read as **SMERA BBB plus**) on the Rs. 131.00 crore bank facilities of RUPA INFOTECH AND INFRASTRUCTURE PRIVATE LIMITED. The outlook is '**Stable**'.

Rupa Infotech and Infrastructure Private Limited is engaged in constructing buildings with focus on commercial buildings, IT Park along with other specialty constructions. RIPL, a Rupa Group company has developed projects like - The Platinum Techno Park at Vashi and The Rupa Solitaire Park at Mahape.

### Key Rating Drivers

#### Strengths

- Experienced Management**

RIPL, incorporated in 2005 is a Mumbai based company engaged in the business of real estate development. Mr. Bimal Desai, the key Director, possesses 25 years of business experience in real estate sector and has completed several projects in Mumbai and Navi Mumbai. SMERA believes that RIPL will continue to benefit from the established background of its promoters over the near to medium future.

- Steady revenue streams under lease arrangements with reputed clients**

RIPL derives its revenues by way of rentals from Platinum Techno Park at Vashi and The Rupa Solitaire Park at Mahape, two commercial properties based in Navi Mumbai and developed by RIPL. The total area leased under both the properties is 3, 78,823 Sq Ft. The key rentals involves Morning Star, Barbeque Nation, CCD, Dominoes, SBI, Vodafone India and Aegis Limited amongst others. The increasing importance of Navi Mumbai and availability of good infrastructure has resulted in Navi Mumbai becoming an important destination for corporate offices. The agreements with these clients are for around 3 years with the option to roll over. SMERA believes that the location of the two properties at Navi Mumbai and availability of requisite infrastructure will ensure steady flow of revenue.

#### Weaknesses

- Counterparty risk and early exit/ Renegotiation risk**

The revenue of RIPL are derived by way of rent from reputed corporates. RIPL ensures that the credit quality is satisfactory. However the counterparty risk is significantly high in case of occurrence of any events such as changes in policy decisions by top management, early exits or renegotiation by client.

- Susceptibility of operating performance to dynamics of commercial real estate segment in and around Navi Mumbai**

RIPL has only two projects which are located in Navi Mumbai. As a result, any disruption in the business dynamics or the regulatory environment in and around Navi Mumbai can adversely impact the business risk profile and operating performance of the company.

#### Analytical Approach

SMERA has considered standalone financial and business risk profile of the company to arrive at the rating.

### Outlook: Stable

SMERA believes RIPL will maintain a stable credit profile over the medium term on the back of established lease arrangements with reputed clients. The outlook may be revised to 'positive' in case the firm is able to generate significantly higher buffer between operating cashflows and debt servicing commitments. The outlook may be revised to negative in case of deterioration in the debt servicing metrics due to lower rentals, occupancies or higher debt to support other projects.

### About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	63.57	91.04	40.17
EBITDA	Rs. Cr.	26.39	40.02	6.89
PAT	Rs. Cr.	18.28	29.23	7.31
EBITDA Margin	(%)	41.52	43.96	17.15
PAT Margin	(%)	28.76	31.64	17.37
ROCE	(%)	11.93	16.44	8.12
Total Debt/Tangible Net Worth	Times	2.97	1.69	2.06
PBDIT/Interest	Times	3.71	8.89	15.84
Total Debt/PBDIT	Times	6.47	4.34	22.10
Gross Current Assets (Days)	Days	878	645	1,622

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

### Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Not Applicable

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term loan	Not Applicable	Not Applicable	Not Applicable	8.05	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	9.47	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	2.20	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	41.05	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	6.82	SMERA BBB+/ Stable (Assigned)

Term loan	Not Applicable	Not Applicable	Not Applicable	4.46	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	2.94	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	10.22	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	4.17	SMERA BBB+/ Stable (Assigned)
Term loan	Not Applicable	Not Applicable	Not Applicable	36.00	SMERA BBB+/ Stable (Assigned)
Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	5.62	SMERA BBB+/ Stable (Assigned)

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## ABOUT SMERA

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