



Ref. No. VIPUL/SEC /FY2018-19/ 1891

January 08, 2019

The Secretary BSE Limited, (Equity Scrip Code: 511726) Corporate Relationship Department, At: 1 <sup>ST</sup> Floor, New Trading Ring, Rotunda Building, PhirozeJeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001	The Manager (Listing) National Stock Exchange of India Limited, (Equity Scrip Code: VIPULLTD) Exchange Plaza, BandraKurla Complex, Bandra, Mumbai-400051
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**Re: Update on Credit Rating**

Dear Sir,

This is to inform you that M/s Brickwork Ratings Private Limited (BWR), upon the request of the Company, has assigned the ratings for the Bank Loan facilities to the tune of Rs. 395.67 Cr. of the Company:

Facility	Amount (₹ Crs)	Tenure	Rating
Fund based	342.19	Long Term	BWR BBB-(SO) (Pronounced as BWR Triple B Minus (Structured Obligation)) Outlook : Stable
Non Fund Based	53.48	Short Term	
Total	395.67	INR Three Hundred Ninety Five Crores and Sixty Seven Lakhs Only	

This is to inform you further that based on the current financial position of the Company coupled with the relative market situation the rating has revised as under: -

- BWR BBB-(SO) (Pronounced as BWR Triple B Minus (Structured Obligation)) Outlook: Stable

You are requested to kindly take the above on record.

Thanking you  
Yours faithfully  
For Vipul Limited

(Punit Beriwalla)  
Managing Director

Encl: As above



SEBI Registered  
RBI Accredited  
NSIC Empanelled

**BWR/BLR/HO/SRC/VI/4075/2018-19**  
**04Jan2019**

**Mr. Punit Beriwal**  
Managing Director  
**Vipul Limited**  
Vipul tech square,  
Golf course road, Sec-43,  
Gurugram-122009  
Haryana

**Dear Sir**

**Sub: Rating of the Bank Loan Facilities of Vipul Limited amounting to ₹ 395.67 Crores (INR Three Hundred Ninety Five Crores and Sixty Seven Lakhs Only).**

Thank you for giving us an opportunity to undertake the Rating of the Bank Loan facilities sanctioned to your Company. Based on the information and clarifications provided by you, we are pleased to inform you that **Vipul Limited** bank loan facilities aggregating ₹ 395.67 Crs have been assigned ratings as follows:

Facility	Limits (₹ Crs)	Tenure	Rating*
Fund Based	342.19	Long Term	BWR BBB-(SO) (Pronounced as BWR Triple B Minus (Structured Obligation)) Outlook : Stable
Non Fund Based	53.48		
Total	395.67	INR Three Hundred Ninety Five Crores and Sixty Seven Lakhs Only	

\*Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the rating assigned

The Ratings are valid for twelve months subject to terms and conditions that were agreed in your mandate dated **13Dec2018** and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended at the end of this letter.



**Brickwork Ratings India Pvt. Ltd.**

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204-205, 2<sup>nd</sup> Floor, Kanchenjunga Building, #18, Barakhamba Road, New Delhi - 110 001  
Phone: +91 11 2341 2232 • Fax: +91 11 2341 3896 • 1-860-425-2742 | [info@brickworkratings.com](mailto:info@brickworkratings.com) • [www.BrickworkRatings.com](http://www.BrickworkRatings.com)  
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CIN: U67190KA2007PTC043591



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**Vipul Limited**

The rated Bank Loan facilities would be under surveillance during the said period. You are required to submit information periodically as per Annexure-I for the purpose of surveillance/review. You are also required to keep us informed of any information/development that may affect your Company's finances/performance without any delay. **You are also requested to submit No Default Statement on monthly basis.**

Best Regards,

j Vipula Sharma  
Director - Ratings



**Note:** Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website [www.brickworkratings.com](http://www.brickworkratings.com), If they are unable to view the rationale, they are requested to inform us on [brickworkhelp@brickworkratings.com](mailto:brickworkhelp@brickworkratings.com).

**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

**Brickwork Ratings India Pvt. Ltd.**

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**Vipul Limited**

**Annexure-I**

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's Term loan sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/default in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of March, June, September and December each year.
9. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of March, June, September and December each year.
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to [dat@brickworkratings.com](mailto:dat@brickworkratings.com)



**Brickwork Ratings India Pvt. Ltd.**

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## Rating Rationale

### Vipul Limited

**Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹395.67 Crores of Vipul Limited.**

#### Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	342.19	Long Term	BWR BBB-(SO) (Pronounced as BWR Triple B Minus (Structured Obligation)) Outlook : Stable
Non Fund Based	53.48	Short Term	
Total	395.67	INR Three Hundred Ninety Five Crores and Sixty Seven Lakhs Only	

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials upto FY18, projected cash flow, publicly available information and information/clarifications provided by the Company.

The rating has, inter alia, factored in the experienced management team and established track record. The rating also takes into account the company's flagship project, Aarohan's locational advantage, increase in FAR in Feb 2018 which has increased the saleable built-up area in the project and increase in cash flow during FY19 due to positive demand for the project. The rating is, however, constrained by lack luster demand for residential projects in the NCR region, increasing leverage levels and project execution risk.

Going forward, completion of project within time lines, achieving projected cashflows and ensuring timely servicing of debt would be the key rating sensitivities.

## Description of Key Rating Drivers

### Credit Strengths:

- **Experienced Management:** - Mr. Punit Beriwalla is the Promoter and Managing Director. He holds a B.Com Degree from Kolkata University & has over 31 years of overall experience. Ms. Guninder Singh is the CEO. She holds a B.Arch Degree Chandigarh College of Architecture & has over 35 years of experience, of which 16 years have been with Vipul Limited
- **Established track record:** - The company has delivered 19 projects with a total area of around 12 mn sq ft. out of which around 9.33 mn sq ft of area was developed in Gurgaon indicating company's strong presence in the market.
- **Flagship Project Aarohan:-** The company recently has launched its flagship project Aarohan which will be developed in two phases. Construction of first phase of the project is going on. The project enjoys locational advantage as it is in Golf Course Road, one of the premium locations of Gurgaon. Also, this is the only land parcel of this size available to be developed in the location and hence demand is expected to be relatively higher for the project.
- The company has already sold around 49.32% of the project. Also the company has received Rs. 146.03 Crs as customer advances and rest will be linked to the stages of construction of the project
- **Increase in FAR:-** In February 2018, FAR available for the project has increased. It has increased the total area which can be developed under the approved guidelines from 1.75 mn sq ft to 3.26 mn sq ft. Now the company will develop 11 towers in place of initially planned five towers on the same land parcel and hence expected cash flow has also increased from the project. First Phase of the project consists of 3 towers and second phase consists of 8 towers.

### Credit Risks:

- **Project Execution Risk:** - The project is under construction and is expected to get completed by FY 2022 exposing it to implementation risk. Further, substantial portion of the construction cost is expected to be financed from customer advances and hence timely sales realization will be a key determinant in the successful and timely completion of the project.
- **Difficult Industry Scenario:-** Real estate industry is facing a downturn for last 2 to 3 years due to over supply of inventory in different cities, muted demand and impact of



multiple regulations like RERA and GST regulations . However, locational advantage and established track record is expected to mitigate the risk of lower overall demand.

- **Increasing Leverage Level:-** Leverage of the company is on rise continuously for last three years and it is expected to go up in the coming years as loan for first phase of Aarohan is yet to be fully disbursed. Overall the leverage for the project has been estimated at relatively higher levels.

### **Analytical Approach**

For arriving at its ratings, BWR has considered evaluation of all the on going projects which are nearing completion and cash flow from first phase of project Aarohan which is enough to meet the debt obligation of all the projects under consideration. The company is expected to launch part of second phase of the project in the first half of next year.

### **Rating Outlook: Stable**

BWR believes the **Vipul Limited's** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

### **About the Company**

- Headquartered in Gurugram, Vipul Limited is a reputed brand with an established track record of over 15 years in residential and commercial real estate development. The company is in existence since 2000. The company has delivered 19 projects constituting around 12mn sq ft of area and 2 mn sq ft is under construction. Out of the total area delivered, the company has delivered ~9.33 lac sq ft in Gurugram indicating company's strong presence in the locality and understanding of the local market.
- The Group has also undertaken projects in other key cities such as Bhubaneswar, Ludhiana, Dharuhera, Bawal, and Faridabad. Also the company has completed four prime projects on Golf Course road Gurugram where the the company has recently launched 'Phase I' of its flagship project 'Aarohan'.

### Promoter of the company

**Punit Beriwalla - Promoter & Managing Director:- Mr. Punit Beriwalla** Holds a B.Com Degree from Kolkata University & has over 31 years of overall experience. He entered Real Estate business through joint ventures with reputed builders and subsequently ventured out independently.

### Company Financial Performance

The company has reported operating income of Rs. 269.16 Crs with an operating profit of Rs. 30.73 Crs in FY18 against and operating income of Rs. 226.40 Crs with an operating profit of Rs. 19.78 Crs in FY17.

### Rating History for the last three years

S.No	Instrument /Facility	Current Rating			Rating History		
		Type	Amount (₹ Crs)	Rating	2017	2016	2015
	Fund Based						
1.	Term Loan	Long Term	305.77	BWR BBB-(SO) (Pronounced as BWR Triple B Minus (Structured Obligation))	NA	NA	NA
2.	Cash Credit/OD		33.00				
3.	Drop Line Limit		3.42				
4.	Bank Guarantee		53.48				
	Total		395.67	₹Three Hundred Ninety Five Crores and Sixty Seven Lakhs Only			

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



### **Key Financial Indicators**

Key Parameters	Units	2017	2018
Result Type		Audited	Audited
Operating Revenue	₹ Cr	226.40	269.16
EBITDA	₹ Cr	19.78	30.73
Profit/Loss for the year	₹ Cr	-0.68	2.50
Other Comprehensive Income	₹ Cr	0.17	0.22
Total Comprehensive Income	₹ Cr	-0.51	2.72
Tangible Net worth	₹ Cr	401.40	403.53
Total Debt/Tangible Net worth	Times	1.09	1.59
Current Ratio	Times	2.21	2.27

Note: The company has implemented the new accounting standard i.e. IND AS for first time in FY 2017-18

### **Hyperlink/Reference to applicable Criteria**

- **General Criteria**
- **Approach to Financial Ratios**
- **Service Sector**
- **Short Term Debt**

**For any other criteria obtain hyperlinks from website**

Analytical Contacts	Media
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### For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

### DISCLAIMER

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