

October 01, 2021

RMZ Azure Projects Private Limited: Rating Withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loan	300.00	300.00	[ICRA] A- (Stable); Withdrawn
Total	300.00	300.00	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of RMZ Azure Projects Private Limited (RAPPL) at the request of the company and based on the No dues confirmation received from the lender. This is in accordance with ICRA's policy on withdrawal and suspension. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Real Estate Companies Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of RIPL and two of its subsidiaries – REIPL and RAPPL (as mentioned in Annexure -2) given the close business and financial linkages among them and a common sponsor support

About the company

The consolidated asset profile of RIPL, REIPL and RAPPL has a portfolio of 11.76 mn sqft of completed area on a consolidated basis, with an overall occupancy level of around 88%, supported by long-term lease agreements and a good track record of tenant stickiness owing to competitive rentals in most of the assets. The consolidated portfolio includes business parks such as Ecospace, Ecoworld, Centennial, NXT in Bengaluru, RMBP I and RMBP II in Chennai and Icon in Pune. The tenant profile in the portfolio remains strong and diversified with leading multinational and Indian corporates such as Shell, SAP Labs, Honeywell, Standard Chartered, State Street, KPMG, HSBC, Intel and Morgan Stanley.

Currently, RIPL is 100% indirectly held by BSREP III New York FDI I (DIFC), post-acquisition by Brookfield from RMZ Group. REIPL and RAPPL are 100% subsidiaries of RIPL as per the current shareholding structure. BSREP III New York FDI I (DIFC) is a part of Brookfield Group, which is one of the largest real estate investment managers globally and has an established track record in India.

Key financial indicators

RAPPL	FY2019	FY2020P
Operating Income (Rs. crore)	1213.1	1295.9
PAT (Rs. crore)	45.6	-124.1
OPBDIT/OI (%)	67.5%	63.8%
RoCE (%)	3.7%	-9.6%
Total Outside Liabilities/Tangible Net Worth (times)	5.8	8.0
Total Debt/OPBDIT (times)	9.8	12.2
Interest Coverage (times)	1.1	0.8

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Note: The financials till FY2020 include two assets – RMZ Infinity Gurgaon and RMZ Infinity Bangalore which are not part of the portfolio acquired by Brookfield Group. Moreover, RMZ Infinity Chennai Limited has ceased to be a subsidiary of RIPL. Therefore, going forward, the financials will not be comparable with the past financials reported.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History				for the past 3 years
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Sep 30, 2020	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019
					Oct 01, 2021	Apr 6, 2021	Oct 9, 2020	May 15, 2020	Aug 30, 2019	Feb 22, 2019
1	Term Loans	Long-term	300.00	-	[ICRA]A-(Stable); Withdrawn	[ICRA]A-(Stable)	[ICRA]A(CE) &	[ICRA]A (CE) (Negative)	[ICRA]A (SO) (Negative)	[ICRA]A (SO) (Stable)

&= Under watch with developing implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Term loans	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	FY2020	-	FY3034	300.00	[ICRA]A- (Stable); Withdrawn

Source: **BTPL**

Annexure-2: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
RMZ Infotech Private Limited (RIPL)	Parent	Full consolidation
RMZ Ecoworld Infrastructure Private Limited (REIPL)	Fellow Subsidiary (100.00%)	Full consolidation
RMZ Azure Projects Private Limited (RAPPL)	Fellow Subsidiary (100.00%)	Full consolidation

Source: *Company*

Note: ICRA has taken a consolidated view of the RIPL and its subsidiaries – REIPL and RAPPL while assigning the ratings.

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