

ARG Developers Private Limited (Revised)

May 03, 2021

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.37	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	49.37 (Rs. Forty-Nine Crore and Thirty-Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 27, 2020, continued to classify the rating of ARG Developers Private Limited (ADPL) under the 'Issuer non-cooperating' category as ADPL had failed to provide information for monitoring of the rating. ADPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and e-mails dated April 20, 2021, April 22, 2021, April 23, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

At the time of last rating on February 27, 2020, the following were the rating strengths and weaknesses (updated for the information available from MCA's website).

Key Rating Weaknesses

Delays in debt servicing: There were delays in debt servicing by the company at the time of last rating. Further, as per audit report for FY20, there were delays in debt servicing by the company and account has been classified as Non-performing Asset (NPA).

Analytical approach: Standalone.

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology – Real Estate Sector](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the Company

ARG Developers Private Limited (ADPL) was initially incorporated in 2007 with the name of ARG Developer Private Limited. Later on, in the year 2008, the name of the company was converted and assumed its current name ADPL. ADPL is a flagship company of ARG Group, incorporated with the objective to work on the real estate projects. The company has executed some projects which include 3 residential and 3 commercial projects at Jaipur and Gwalior. At present, ADPL is working on ultra-luxury residential project 'ARG ONE' with total saleable area of around 2.54 lakh square feet (1sf) having 62 flats.

Brief Financials (Rs. crore)	FY19 (A)*	FY20 (A)*
Total operating income	9.33	32.78
PBILDT	4.99	5.73
PAT	-3.00	-0.57
Overall gearing (times)	4.69	4.14
Interest coverage (times)	0.61	0.89

A: Audited; * as per financials downloaded from MCA's website

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3.

Complexity level of various instruments rated for this company: Annexure 4.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-Long Term	-	-	April, 2018	12.37	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	March, 2021	27.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	Feb, 2020	5.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based-Long Term	LT	12.37	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-20)	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)
2.	Fund-based - LT-Term Loan	LT	27.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-20)	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)
3.	Fund-based - LT-Bank Overdraft	LT	5.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-20)	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18)

								2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)
4.	Fund-based - LT-Term Loan	LT	5.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-20)	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: None

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Bank Overdraft	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Fund-based-Long Term	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Name: Mradul Mishra

Contact No: +91-22-6837 4424

Email ID - mradul.mishra@careratings.com

Analyst Contact:

Name: Harsh Raj Sankhla

Tel: 0141-4020213/214

Email: harshraj.sankhla@careratings.com

Relationship Contact

Name: Nikhil Soni

Contact No: 0141-4020213/214

Email ID: nikhil.soni@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.