

## Ashiana Landcraft Realty Private Limited

June 11, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Non Convertible Debentures	29.01	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Non Convertible Debentures	81.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Optionally Fully Convertible Debenture	10.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Long Term Instruments</b>	<b>120.01 (Rs. One Hundred Twenty Crore and One Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 11, 2019; placed the rating of Ashiana Landcraft Realty Private Limited (ALRPL) under the 'issuer non-cooperating' category as ALRPL had failed to provide information for monitoring of the rating. ALRPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated May 09, 2021; May 21, 2021 and May 29, 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 rating(s).***

### Detailed description of the key rating drivers

*At the time of last rating on June 23, 2020 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):*

#### Key Rating Weaknesses

##### **Recent delays in debt servicing**

There were delays in servicing of debt obligations on the OCD and bank facilities. The company had delayed the monthly installment due for the month of March 2019 and the interest payment due on OCD on March 31, 2019. This is on the account of tight liquidity position of the company due to slower sales momentum for its ongoing projects.

##### **Project execution risk**

The company is developing a residential group housing project in Sector 88-A, Gurgaon. The total estimated cost of the project is Rs. 1038 cr which will be funded through promoter's contribution of Rs. 59.00 cr, debt of Rs. 423 cr and the rest through customer advances. As on Dec 31, 2018, the promoters have brought in Rs 52.6 Cr, Outstanding debt of Rs. 333 cr availed from PNBHFL and the Piramal Group. As on March 31, 2018, the company has incurred Rs.610 cr out of the total project cost of Rs. 1038 cr that is, ~57% of the total project cost as on Dec 31, 2018 (49% upto March 31, 2018). However, the spending on construction remains low with total expenditure of Rs. 247 cr out of the total Rs. 498 cr on the construction and administration portion, that is, 50% of the total construction and administration cost. As significant portion of the cost is yet to be incurred; the project is exposed to execution risk.

##### **Off take risk**

Out of total saleable area of the project of 17.24 Isf, For Phase-1 (saleable area of 8.42 Isf), the company has sold 5.45 Isf of area that is ~64% (61% upto Mar 31, 2018) for sale value of Rs 351 Cr till Dec 31, 2018. The sale has remains slow due to the

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

slowdown in the real estate market. In last 12 months ending Feb 2019, the company has been able to generate collections of Rs. 20 cr. With significant portion of the project yet to be sold, the company remains exposed to project off-take risk.

#### **Subdued industry scenario**

The industry has witnessed muted housing demand during recent past. Further, the impact of Real Estate Regulation Act, 2016 remains to be seen on the developers. It is expected that the developers will have to bring about operational transformation in their business models to comply with RERA requirements.

#### **Key Rating Strengths**

##### **Experienced promoters with track record of project execution**

The company derives strength from experience of the promoters –Ashiana Homes Pvt Ltd (AHPL) and Landcraft Projects Private Limited (LPPL) in the real estate sector. Both the companies have an established track record of executing several real estate projects, including development of township, group housing, commercial complexes, etc. Some of the major completed projects include Ashiana Upvan (Ghaziabad), Ashiana Greens (Ghaziabad), Golf Links Flat (Ghaziabad), Ashiana Palm court (Ghaziabad) etc.

**Analytical approach:** Standalone

#### **Applicable Criteria**

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

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

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

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

[Rating Methodology – Real Estate Sector](#)

#### **About the Company**

Incorporated in 2012, ALRPL is a joint development between Ashiana Homes Pvt Ltd (AHPL) and Landcraft Projects Private Limited (LPPL) formed solely for a premium real estate residential project development named 'The Center Court' located at Sector 88A, Gurgaon. LPPL was incorporated in 2007, and is the real estate vertical of Garg group with the presence in Ghaziabad. The group has developed more than 20.04 lsf of area with residential and commercial projects in Ghaziabad. AHPL was incorporated in 1987, with presence mostly in North India and has developed more than 55 lsf of area with 8 completed projects.

<b>Brief Financials (Rs. crore)</b>	<b>FY18 (A)</b>	<b>FY19(A)</b>
Total operating income	0.68	0.52
PBILDT	(1.35)	(1.10)
PAT	(0.34)	(0.01)
Overall gearing (times)	22.43	18.92
Interest coverage (times)	0.98	0.00

A: Audited

**Status of non-cooperation with previous CRA:** ALRPL has not cooperated with ICRA which has classified it in non-cooperative category vide press release dated August 28, 2020

**Any other information:** NA

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

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN No.	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE509P08031 & INE509P08049	March 31, 2014	8%	28/04/2023	29.01	CARE D; ISSUER NOT COOPERATING*
Debentures-Optionally Fully Convertible Debenture	INE509P07074 & INE509P07082	March 31, 2014	8%	31/03/2021	10.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE509P07090	March 27, 2018	14%	27/03/2021	81.00	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.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Apr-19)	1)CARE D (11-May-18) 2)CARE D (05-Apr-18)
2.	Debentures-Non Convertible Debentures	LT	29.01	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20) 2)CARE D; ISSUER NOT COOPERATING* (07-Apr-20)	1)CARE C; Stable; ISSUER NOT COOPERATING* (12-Jun-19) 2)CARE C; Stable (04-Apr-19) 3)CARE B-; Stable (01-Apr-19)	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)
3.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (01-Apr-19)	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)
4.	Debentures-Optionally Fully Convertible Debenture	LT	10.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (12-Jun-19)	1)CARE B+; Stable

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
							2)CARE D (04-Apr-19) 3)CARE B-; Stable (01-Apr-19)	(11-May-18) 2)CARE BB-; Negative (05-Apr-18)
5.	Debentures-Non Convertible Debentures	LT	81.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20) 2)CARE D; ISSUER NOT COOPERATING* (07-Apr-20)	1)CARE C; Stable; ISSUER NOT COOPERATING* (12-Jun-19) 2)CARE C; Stable (04-Apr-19) 3)CARE B-; Stable (01-Apr-19)	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)

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#### Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Debentures-Optionally Fully Convertible Debenture	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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

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