

Ananya Shelters Private Limited

April 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	80.00 (Reduced from 135.63)	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	13.00	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Ananya Shelters Private Limited (ASPL) are constrained by relatively moderate scale of operations primarily confined to Coimbatore region, execution risk, high dependence on customer advances, inherent cyclicity and intense competition in the real estate industry. The ratings, however, derive strength from the long-standing experience of the promoters in the real estate industry, satisfactory booking status & construction progress in on-going projects and land bank availability providing scope for future developments.

Rating sensitivities: Factors likely to lead to rating actions

Positive Factors

- Timely launch and healthy execution from the ongoing/upcoming projects resulting in sustained improvement in total operating income (TOI) and collections.

Negative Factors

- Any large delays in the scheduled completion or slowdown in the sales momentum of the on-going projects.
- Moderation in collections on sustained basis.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects that the entity is likely to benefit from the experience of the promoters in the real estate sector to complete the ongoing projects

Detailed description of key rating drivers:

Key weaknesses

Relatively moderate scale of operations primarily confined to Coimbatore region.

ASPL has over a decade of experience in executing residential real estate projects including retirement homes for senior citizens under the brand name 'Ananya's Nana Nani Homes' in Coimbatore region. However, the scale of operations as reflected in TOI continues to be moderate at ~₹120 crore for the past three years. All the ongoing projects and upcoming projects are situated in and around Coimbatore region which exposes the company to regional concentration risk. Faster execution and healthy sales velocity across projects leading to increase in scale shall remain a key rating monitorable

Project implementation risk

The company has two ongoing projects with total saleable area of 7.45 lakh square feet (lsf) in which 64% of the construction is completed as against 83% of inventory sales as of February 2025. The company is planning to launch a new project in Q1FY26, with total saleable area of ~7.81 lsf, its largest development since inception. While land cost has already been incurred for the upcoming project, construction is yet to begin, and approvals are awaited which exposes the company to high execution and funding risk. Nevertheless, the project implementation risk is mitigated to some extent by the extensive experience of the promoters. Considering the gestation period of around three to four years for the completion, any volatility in the raw material prices will impact the cost of the projects. Further, ASPL also has fully developed three plot development projects with total saleable area of 4.94 lsf where the sales velocity has been relatively low.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Exposure to inherent risks and cyclicalities in the real estate industry

The company is exposed to the cyclicalities associated with real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. In case of real estate companies, the profitability is highly dependent on property markets. This exposes these companies to the vagaries of property markets. A high interest rate scenario could discourage the consumers from borrowing to finance the real estate purchases and may depress the real estate market. However, presence in a niche segment partly mitigates the risk associated with inherent cyclicalities and competition.

Key strengths

Experienced promoter with long track record of operations in Coimbatore market

ASPL has successfully completed over 13 projects in and around Coimbatore encompassing over 3 million square feet (msf) of saleable area since inception. A. Yuvaraj, an engineering graduate and second generation entrepreneur, is the chairman and managing director of ASPL and has over two decades of experience in the real estate sector. The day to day activities of the company is managed by P. Karthik Kumar, who is the executive director of the company. Further, the company has inhouse team of engineers, project management professionals and supervisors who support the company in its project execution. Apart from this, the operations of its retirement homes project under Nana Nani Homes are managed by a separate concern under the group.

Satisfactory construction progress and sales velocity for the on-going projects

The company is developing two residential projects, Nana Nani Homes Phase VII and Phase 9, launched in FY24 and FY25, with a total saleable area of 7.45 lsf. Sales momentum in on-going projects has been satisfactory with 69% of the area sold as of February 28, 2025. The collections from completed and ongoing projects have been healthy at ₹199 crore for 12 months ended February 2025. The committed receivables are expected to cover ~71% of balance construction cost and debt outstanding.

Revenue visibility from upcoming projects and land bank reserve

The upcoming project, which company is expected to launch in Q1FY26, has revenue potential of ~₹550 crore, which provide revenue visibility for the company in medium term. Furthermore, the company has sizeable land bank of around 15 acres located mainly in Coimbatore region which provides scope for future development.

Liquidity: Stretched

The liquidity stood stretched characterised by higher reliance on customer collections to meet the pending cost for its ongoing projects. ASPL also had working capital limits of ₹13 crore, the average utilisation of which stood high at ~80%. Out of sold inventory, company had moderate collection efficiency of 44% with committed receivables of ₹252 crore. Going forward, ability of the company to maintain the satisfactory sales booking in the ongoing/upcoming projects and improving collection efficiency from the same is key for enhancing the cash flow position of the company.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Coimbatore based, ASPL was established in 2009. ASPL focuses on development and operations of independent gated communities / villas for senior citizens, aged above 50 years, under the brand name, 'Ananya's Nana Nani Homes' and is also into

development of plotted projects. The company has developed over 3 msf of area since incorporation. Apart from residential projects, the company has developed a 52 room hotel 'Ananya's Nest'. As on March 31, 2024, A. Yuvaraj, Chairman & Managing Director and his wife Umamaheswari, hold 65% and 35% shareholding respectively in the company.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	124.30	123.60	127.27
PBILDT	20.24	11.00	31.95
PAT	2.76	25.26	12.54
Overall gearing (times)	2.86	1.74	1.60
Interest coverage (times)	1.35	0.64	2.29

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	June 2027	80.00	CARE BB+; Stable
Fund-based - ST-Bank Overdraft		-	-	-	13.00	CARE A4+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	80.00	CARE BB+; Stable	1)CARE BB+; Stable (04-Apr-24)	-	1)CARE BB+; Stable (15-Mar-23)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (29-Mar-22) 2)CARE BB+; Stable (02-Jul-21)
2	Fund-based - ST-Bank Overdraft	ST	13.00	CARE A4+	1)CARE A4+ (04-Apr-24)	-	1)CARE A4+ (15-Mar-23)	1)CARE A4+; ISSUER NOT COOPERATING* (29-Mar-22) 2)CARE A4+ (02-Jul-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

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

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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