

JANUARY 20, 2015

CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES AND INSTRUMENTS OF ANANT RAJ LIMITED

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term bank facilities	951.32	CARE BBB+ (Triple B Plus)	Reaffirmed
Total bank facilities	951.32		
Long-term NCD	-	-	Withdrawn
Long-term NCD	150	CARE BBB+ (Triple B Plus)	Reaffirmed

Rating Rationale

The ratings continue to take into account the group's experience in the real estate sector, moderate booking status of existing projects and comfortable capital structure. The ratings also factors in the financial flexibility provided by the land bank in Delhi/NCR, portfolio of completed commercial assets and monetization of the same as in the past. However, the rating remains constrained by the slower execution in projects, high debt repayments in the near-term and overall subdued demand scenario in the real estate sector.

Going forward, the ability of ARL to timely execute projects within scheduled costs, realization of envisaged sales and monetization of the available asset base shall be the key rating sensitivities.

Background

Anant Raj Limited (ARL) (name changed to Anant Raj Limited from Anant Raj Industries Limited in October 2012), the flagship company of the Anant Raj Group, was incorporated in 1985 and went public in 1989. Initially, ARL was mainly engaged in the business of manufacturing ceramic tiles (business closed during FY13 - refers to the period April 1 to March 31). The Group had its footprints in real estate development and construction since 1969 and is amongst the oldest development and construction group in the National Capital Region (NCR) with over four decades of experience. During FY2014 (Audited; consolidated), ARL achieved PAT of Rs.100 crore (PY: 106) on a total operating income of Rs.483 crore (PY: 558). As per the unaudited results for H1FY2015 (refers to the period April 01 to September 30), the company reported a total income of Rs.195 crore and a PAT of Rs.102 crore.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings 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.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating 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.

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

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