

MAY 09, 2016

CARE REVISES 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	1181.64	CARE BBB (Triple B)	Revised from CARE BBB+ (Triple B Plus)
Total Bank Facilities	1181.64		
Long-term NCD	75.00	CARE BBB (Triple B)	Revised from CARE BBB+ (Triple B Plus)

Rationale

The revision in rating of Anant Raj Limited (ARL) takes into account the stagnancy in booking status from existing projects coupled with reduction in collections levels and continued moderation in financial performance during FY15. The rating however continues to factor in 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, these rating strengths are partially offset 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 FY2015 (Audited; consolidated), ARL achieved PAT of Rs.142 crore (PY: 103) on a total operating income of Rs.489 crore (PY: 501). As per the unaudited results for H1FY2015 (refers to the period April 01 to September 30), the company reported a total income of Rs.339 crore and a PAT of Rs.162 crore.

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

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

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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.

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