

ARG Developers Private Limited

February 27, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long term Bank Facilities	49.37	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)	Issuer Not Cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING; On the basis of best available information [Single C; (Outlook: Stable); ISSUER NOT COOPERATING*]
Total Facilities	49.37 (Rupees Forty nine crore and thirty seven lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated October 03, 2018, 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 e-mails, phone calls and a letter dated December 06, 2019. 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.

The rating has been revised on account of on-going delays in debt servicing by the company.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delays in debt servicing: As confirmed by the banker, there are ongoing 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 to Credit Ratings](#)

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

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

[Rating Methodology – Real Estate Sector](#)

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)	FY17 (A)	FY18 (A)
Total operating income	16.67	34.10
PBILDT	14.40	15.46
PAT	0.29	0.41
Overall gearing (times)	4.71	4.25
Interest coverage (times)	1.00	1.04

A: Audited

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

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

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

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* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Term Loan	-	-	March, 2021	27.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Bank Overdraft	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Term Loan	-	-	Feb, 2020	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information

**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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based-Long Term	LT	12.37	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)	1)CARE BB; Stable (13-Apr-17)	1)CARE BB (07-Apr-16)
2.	Fund-based - LT-Term Loan	LT	27.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)	1)CARE BB; Stable (13-Apr-17)	1)CARE BB (07-Apr-16)
3.	Fund-based - LT-Bank Overdraft	LT	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)	1)CARE BB; Stable (13-Apr-17)	1)CARE BB (07-Apr-16)
4.	Fund-based - LT-Term Loan	LT	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (03-Oct-18) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Apr-18)	1)CARE BB; Stable (13-Apr-17)	-

*Issuer did not cooperate; Based on best available information

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.

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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.

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