

Ashiana Landcraft Realty Private Limited

Apr 01, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	-	-	Revised from CARE B+;Stable(Single B Plus; Outlook: Stable) to CARE D (Single D) and Rating Withdrawn
Total Facilities	-	-	

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the Bank facilities of Ashiana Landcraft Realty Private Ltd (ALRPL) have been revised from 'CARE B+;Stable (Single B Plus; Outlook: Stable) to CARE D (Single D) due to delays in debt servicing. CARE has withdrawn the outstanding ratings of 'CARE D' [Single D] assigned to the bank facilities of Ashiana Landcraft Realty Private Ltd with immediate effect. The above action has been taken at the request of Ashiana Landcraft Realty Private Limited and 'No Objection Certificate' received from the bank that have extended the facilities rated by CARE

The revision in the rating assigned to the instruments and bank facilities of Ashiana Landcraft Realty Pvt. Ltd. (ALRPL) is due to the recent delays in the servicing on the Term loan.

Detailed description of the key rating drivers

Key Rating Weaknesses

Recent delays in debt servicing

There were recent delays in servicing of debt obligations of the Long term Bank Facility. The company had delayed the monthly instalment due for the month of March 2019. This is on the account of tight liquidity position of the company due to slower sales momentum for its ongoing projects.

Analytical approach: Standalone

Applicable Criteria

[Policy on Withdrawal of ratings](#)

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

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

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

About the Company

Incorporated in 2012, ALR 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.

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

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1.63	1.56
PBILDT	47.82	67.99
PAT	(0.04)	(0.34)
Overall gearing (times)	16.86	22.43
Interest coverage (times)	0.98	0.98

Liquidity:

The liquidity of the company remained tight due to slowdown in the sales and collection momentum. During the 12 months ending February 2019, the company has an average monthly sales of Rs.2.66 Cr and average monthly collection of Rs. 1.66 Cr

Status of non-cooperation with previous CRA: NA

Any other information: NA

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

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.

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/outlooks 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 /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook 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.

Annexure-1: Details of 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 - LT-Term Loan	March 31, 2014	-	2022	0.00	Revised from CARE B+;Stable(Single B Plus; Outlook: Stable) to CARE D (Single D) and Rating Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. cr)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE D (11-May-18) 2)CARE D (05-Apr-18)	1)CARE D (14-Jul-17) 2)CARE BB (SO); Negative (05-May-17)	-	1)CARE BB (SO) (15-Mar-16)
2.	Debentures-Non Convertible Debentures	LT	29.01	CARE B-; Stable	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)	1)CARE BB-; Negative (14-Jul-17) 2)CARE BB (SO); Negative (05-May-17)	-	1)CARE BB (SO) (15-Mar-16)
3.	Fund-based - LT-Term Loan	LT	-	Revised from CARE B+;Stable(Single B Plus; Outlook: Stable) to CARE D (Single D) and Rating Withdrawn	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)	1)CARE BB-; Negative (14-Jul-17) 2)CARE BB (SO); Negative (05-May-17)	-	1)CARE BB (SO) (15-Mar-16)
4.	Debentures-Optionally Fully Convertible Debenture	LT	10.00	CARE B-; Stable	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)	1)CARE BB-; Negative (14-Jul-17)	-	-
5.	Debentures-Non Convertible Debentures	LT	81.00	CARE B-; Stable	1)CARE B+; Stable (11-May-18) 2)CARE BB-; Negative (05-Apr-18)	1)CARE BB-; Negative (23-Mar-18) 2)CARE BB-; Negative (19-Feb-18)	-	-

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