

## Press Release

Anant Raj Limited

December 14, 2021



### Rating Downgraded and Issuer not co-operating

Product	Initial Quantum (Rs. Cr.)	Net Quantum (Rs. Cr.)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	50.00	ACUITE C   Downgraded   Issuer not co-operating*	
Bank Loan Ratings	1135.00	1135.00	ACUITE D   Downgraded   Issuer not co-operating*	
<b>Total</b>	-	1185.00	-	-

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) and '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.1185.00 crore bank facilities of Anant Raj Limited (ARL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

### Rationale for rating downgrade

The rating downgrade reflects continuous delays by the company in servicing its debt obligations as per the lenders' feedback. The same was also corroborated through a Credit Information Company (CIC) report on Anant Raj Limited obtained by Acuite. As per the CIC report, the company has delayed on servicing its debt obligations to its lenders. The delays have ranged between 30 to 60 days.

### About the Company

ARL, the flagship company of Anant Raj Group, was incorporated in 1985 and started manufacturing of ceramic tiles later in 1985 and subsequently got listed in 1989. Later, the company also operated as a contractor for the Delhi Development Authority. In 2003, the company entered into Real Estate Development as 'Anant Raj Limited'. The company gradually acquired land parcels and currently has approximately 1050 acres in the Delhi, NCR and Haryana. The group is promoted by Mr. Ashok Sarin and family.

### Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

### Limitation regarding information availability:

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### Liquidity Position: Poor

The liquidity of the company is poor. There are ongoing delays in the repayment of loans due to stretched liquidity. The operations of the company was impacted majorly due to covid-19.

### Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

### About the Rated Entity - Key Financials

	Unit	FY21 (Actual)	FY20 (Actual)
Operating Income	Rs. Cr.	249.66	276.89
PAT	Rs. Cr.	0.23	16.78
PAT Margin	(%)	0.09	6.06
Total Debt/Tangible Net Worth	Times	0.59	0.67
PBDIT/Interest	Times	1.81	4.11

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Material Covenants

Not Applicable

### Outlook

Not Applicable

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Jul 2021	Cash Credit	Long Term	50.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	10.74	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	573.38	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	236.22	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	314.66	ACUITE BB (Downgraded and Issuer not co-operating*)
24 Jun 2020	Cash Credit	Long Term	50.00	ACUITE BB+   Negative (Downgraded from ACUITE BBB-   Negative)
	Term Loan	Long Term	573.38	ACUITE BB+   Negative (Downgraded from ACUITE BBB-   Negative)
	Term Loan	Long Term	314.66	ACUITE BB+   Negative (Downgraded from ACUITE BBB-   Negative)
	Term Loan	Long Term	10.74	ACUITE BB+   Negative (Downgraded from ACUITE BBB-   Negative)
	Term Loan	Long Term	236.22	ACUITE BB+   Negative (Downgraded from ACUITE BBB-   Negative)
28 Mar 2019	Term Loan	Long Term	10.74	ACUITE BBB-   Negative (Downgraded from ACUITE BBB+   Positive)
	Term Loan	Long Term	236.22	ACUITE BBB-   Negative (Downgraded from ACUITE BBB+   Positive)
	Term Loan	Long Term	573.38	ACUITE BBB-   Negative (Downgraded from ACUITE BBB+   Positive)
	Cash Credit	Long Term	50.00	ACUITE BBB-   Negative (Downgraded from ACUITE BBB+   Positive)
	Term Loan	Long Term	314.66	ACUITE BBB-   Negative (Assigned)
05 Mar 2018	Cash Credit	Long Term	50.00	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	12.59	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	20.16	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	38.71	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	26.43	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	36.40	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	26.52	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	65.41	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	165.83	ACUITE BBB+   Positive (Assigned)
	Term Loan	Long Term	49.91	ACUITE BBB+   Positive (Assigned)

Term Loan	Long Term	39.63	ACUITE BBB+   Positive (Assigned)
Term Loan	Long Term	43.75	ACUITE BBB+   Positive (Assigned)
Term Loan	Long Term	95.00	ACUITE BBB+   Positive (Assigned)
Term Loan	Long Term	95.00	ACUITE BBB+   Positive (Assigned)
Term Loan	Long Term	125.00	ACUITE BBB+   Positive (Assigned)
Term Loan	Long Term	175.00	ACUITE BBB+   Positive (Assigned)
Term Loan	Long Term	10.74	ACUITE BBB+   Positive (Assigned)
Proposed Bank Facility	Long Term	98.92	ACUITE BBB+   Positive (Assigned)

**Annexure - Details of instruments rated**

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Initial Quantum (Rs. Cr.)	Net Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	50.00	50.00	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB )
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	10.74	10.74	ACUITE D   Downgraded   Issuer not co-operating* ( from ACUITE BB )
LIC Housing Finance Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	314.66	314.66	ACUITE D   Downgraded   Issuer not co-operating* ( from ACUITE BB )
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	236.22	236.22	ACUITE D   Downgraded   Issuer not co-operating* ( from ACUITE BB )
Yes Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	573.38	573.38	ACUITE D   Downgraded   Issuer not co-operating* ( from ACUITE BB )

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### About Acuité Ratings & Research

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