

## Press Release

Ananta Procon Private Limited

July 01, 2022



### Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BBB   Reaffirmed & Withdrawn	-
Bank Loan Ratings	58.50	-	ACUITE A3+   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	68.50	-	-

### Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BBB**' (read as ACUITE triple B) and short term rating of 'ACUITE A3+' (read as ACUITE A three plus) on the Rs.68.50 Cr. bank facilities of Ananta Procon Private Limited.

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

### About the Company

Ananta Procon Private Limited (APPL) was incorporated in 2011 by Mr. Kanji A Patel along with other promoters who are already engaged in the civil construction segment through another entity. It is an ISO 9000:2000 certified company. APPL is engaged in civil construction work for bridges, land fillings, railway, or road over bridges, etc. for state government departments located in Gujarat state. The company has also undertaken projects in Maharashtra and Rajasthan. The major activity of the company is contractor-ship and to undertake various contracts of road construction and bridge construction. APPL has "AA" class contractor registration from Government of Gujarat.

### Analytical Approach

Acuite has considered the standalone business and financial risk profiles of APPL to arrive at this rating.

### Key Rating Drivers

#### Strengths

##### Experienced Management

The company has industry presence of over a decade and the key promoter Mr. Kanji Patel has over four decades of experience in civil construction and infrastructure industry. Other promoters also have more than two decades of experience in the same line of business through their association with other firms. The extensive experience and established network

of the promoter's in the business has helped company to maintain healthy longstanding relations with customers and suppliers. The company is also well supported by the second line of management. The scale of operations of the company has improved and has recorded an operating income Rs.250.42 Cr in FY2022(prov) as against Rs.140.61 Cr in FY2021.

### **Moderate Financial risk profile**

The financial risk profile of the company stood moderate marked by moderate net worth, high gearing and comfortable debt protection metrics. The tangible net worth stood high at Rs.48.03 as on 31 March 2022(prov) as against Rs.35.99 crore as on 31 March, 2021 as against Rs.27.93 crore as on 31 March, 2020. Total debt of the company stood at Rs.5.37 cr in FY2022(prov) as against Rs.6.51 Cr in FY2021 as against Rs. 8.51 crore in FY2020 . Total debt comprises of Rs.4.91 crore of unsecured loan and Rs.0.46 crore of short term debt. Gearing (debt-equity) stood at 0.11 times as on 31 March 2022(prov) as against 0.18 times as on 31 March, 2021. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 1.04 times as on 31 March 2022(prov) as against 1.29 times as on 31 March, 2021. Net Cash Accruals to Total Debt (NCA/TD) stood at 2.49 times for FY2022(prov). Debt protection metrics of the company is comfortable with Interest Coverage Ratio high at 12.07 times for FY2022(prov) as against 8.19 times for FY2021 as against 7.37 times for FY2020. Debt Service Coverage Ratio (DSCR) stood at 8.73 times in FY2022 as against 4.61 times in FY2021 as against 4.70 times in FY2020.

### **Weaknesses**

#### **Geographic concentration and tender based nature of operations**

APPL has established presence since 2011, however, exposed to geographical concentration risk. The company operates only in Gujarat, Maharashtra and Rajasthan. The majority of work is focused in Gujarat and Rajasthan which exposes the company to concentration risk. Any adverse delay in order or project execution will have significant impact on the overall financial risk profile of the company. Being a civil contractor, the revenue of APPL also depends on the number of successful bids and availability of fresh tenders for bidding from the government. The same has resulted in uneven execution of orders and delay in some projects in past few years.

#### **Highly competitive and fragmented industry**

The company operates in the civil construction industry which is marked by intense competition from several mid to big sized players. Further, margins remain affected by the risk to become more pronounced as tendering is based on minimum amount of bidding of contracts.

### **Rating Sensitivities**

Not Applicable

### **Material covenants**

None.

### **Liquidity Position: Adequate**

The company's liquidity profile is adequate marked by adequate net cash accruals against its maturing debt obligations. The firm generated cash accruals of Rs. 13.38 Cr in FY2022(prov) as against maturing debt obligation of 0.46 Cr. The firm maintains unencumbered cash and bank balances of Rs. 1.76 crore as on March 31, 2022(prov). The current ratio of the company stands high at 7.15 times as on March 31, 2022(prov) due to the increase in deposits in bank to 16.65 Cr.

### **Outlook: Not Applicable**

### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	250.42	140.61
PAT	Rs. Cr.	12.13	8.05
PAT Margin	(%)	4.84	5.73
Total Debt/Tangible Net Worth	Times	0.11	0.18
PBDIT/Interest	Times	12.07	8.19

### Status of non-cooperation with previous CRA (if applicable)

CARE Ratings, vide its press release dated October 08, 2021 had denoted the rating to Ananta Procon Private Limited as CARE BB/CARE A4 (Issuer Not Cooperating) on account of lack of adequate information required for monitoring of ratings and not paying the surveillance fees for the rating exercise as agreed to in its Rating Agreement.

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 May 2021	Secured Overdraft	Long Term	2.50	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	2.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	1.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	4.50	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Bank Guarantee	Short Term	15.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee	Short Term	23.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee	Short Term	20.50	ACUITE A3+ (Upgraded from ACUITE A3)
01 Apr 2020	Cash Credit	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	23.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	20.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Long Term	2.50	ACUITE BBB-   Stable (Reaffirmed)

	Cash Credit	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
12 Jun 2019	Secured Overdraft	Long Term	2.50	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	15.50	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Short Term	4.50	ACUITE A3 (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE BBB-   Stable (Reaffirmed)
18 May 2018	Cash Credit	Long Term	9.00	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	15.00	ACUITE A3 (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A3+   Reaffirmed & Withdrawn
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	23.00	ACUITE A3+   Reaffirmed & Withdrawn
Yes Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	20.50	ACUITE A3+   Reaffirmed & Withdrawn
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE BBB   Reaffirmed & Withdrawn
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BBB   Reaffirmed & Withdrawn
Yes Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BBB   Reaffirmed & Withdrawn
Yes Bank Ltd	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE BBB   Reaffirmed & Withdrawn

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### About Acuité Ratings & Research

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