



Press Release

Arihant Realtors

October 09, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	195.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	195.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE B+' (read as ACUITE B plus) from 'ACUITE BB-' (read as ACUITE double B minus) on the Rs. 195.00 crore bank facilities of Arihant Realtors (AR) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Established in 2006, Arihant Realtors (AR) is a Special Purpose Vehicle (SPV) promoted by Mumbai based A & O Realty, engaged in the business of real estate development. Presently the firm is developing a Slum redevelopment residential project, 'F-residencies' located in Ghatkopar East. AR is a partnership firm with Mr. Chetan Bhanushali (1%), Mr. Praveen Girish Chamaria (1%), Ashapura Edifice Private Limited (62%) and Ashapura Options Private Limited (1%) holding majority stake.

About the Group

Established in 2008, KMC developers (KMC) is a Special Purpose Vehicle (SPV) promoted by Mumbai based A & O Realty, engaged in the business of real estate development. Presently the firm is developing a Slum redevelopment residential project, KMC located at Borivali East. KMC is a partnership firm wherein Ashapura Options Private Limited (AOPL) is holding 85% stake.

Established in 2003, Charmee Enterprises (CE) is a Special Purpose Vehicle (SPV) promoted by Mumbai based A & O Realty, engaged in the business of real estate development. Presently the firm is developing a Slum redevelopment residential project, Florante located at Andheri East. CE is a partnership firm with AOPL holding

32 percent stake.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité 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. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 Acuité’s policies.

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 ratings are based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite’s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria “Complexity Level Of Financial Instruments” on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jul 2023	Term Loan	Long Term	180.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Proposed Term Loan	Long Term	15.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
22 Apr 2022	Term Loan	Long Term	180.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Proposed Long Term Loan	Long Term	15.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
20 Jan 2021	Term Loan	Long Term	180.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
	Proposed Long Term Loan	Long Term	15.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)

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

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
PNB Housing Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	180.00	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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