

Press Release

Ani Anu Developers Private Limited

September 21, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 18.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) on the Rs. 18.00 crore bank facilities of Ani Anu Developers Private Limited. The outlook is '**Stable**'.

Incorporated in 1989, AADPL is a Mumbai based company engaged in real estate development. Till 2017, the company was involved in trading of textiles. The company is developing its first residential project under the name of 'Shree Balaji Enclave' in Mumbai (Maharashtra). The total saleable area of the project is 60000 sq ft within which 60 residential units will be developed. The company is managed by Mr. Ankush Ashok Gupta and Ms. Neha Ankush Gupta.

Key Rating Drivers

Strengths

- **Experienced management**

The company is promoted by Mr. Ankush Ashok Gupta and Ms. Neha Ankush Gupta who has developed residential and commercial property for other group companies. The promoters are well versed with Mumbai real estate market and its dynamics.

Weaknesses

- **Initial stage of project**

The project, Shree Balaji Enclave, commenced from the month of January 2017 and is expected to be completed by March 2022. The total project cost is ~Rs.54.38 crore of which 42 percent is completed from term loan of Rs.10.00 crore and balance from promoters own fund. The balance of the project cost is likely to be funded from a fresh term loan of Rs.8.00 crore and balance from promoters' contribution and customer advance. Going forward, timely receipt of the fund for completing the project as per schedule will be a key rating sensitivity.

- **Inherent cyclicity in construction Sector**

The real estate industry in India is highly fragmented with most of the real estate developers having a city-specific or region specific presence. The risks associated with real estate industry are cyclical nature of business (drop in property prices), interest rate risk, among others which can affect the operations of the firm.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the company to arrive at the rating.

Outlook: Stable

Acuité believes that the company will maintain 'Stable' risk profile in the medium term on the back of experienced management. The outlook may be revised to 'Positive' if the company generates steady cash flows as per the anticipated customer advances. Conversely, the outlook may be revised to 'Negative' in case there is any delay in executing the project or the collections from the bookings gets delayed, thereby creating pressure on liquidity.

About the Rated Entity - Key Financials

	Unit	FY18 (Prov.)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	0.94	0.11	19.54
EBITDA	Rs. Cr.	0.05	0.05	0.32
PAT	Rs. Cr.	0.01	0.00	0.19
EBITDA Margin	(%)	5.67	44.76	1.62
PAT Margin	(%)	1.57	0.00	0.98
ROCE	(%)	0.15	0.03	4.34
Total Debt/Tangible Net Worth	Times	6.71	3.56	4.36
PBDIT/Interest	Times	6.24	20.48	281.98
Total Debt/PBDIT	Times	334.35	164.98	32.38
Gross Current Assets (Days)	Days	9112	38470	178

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE B / Stable

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About Acuité Ratings & Research:

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