



Press Release
Arya Capital Management Private Limited
September 18, 2023
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	270.00	ACUITE D Reaffirmed	-
Non Convertible Debentures (NCD)	30.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	270.00	-	-
Total Withdrawn Quantum (Rs. Cr)	30.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 270.00 crore-bank Non-convertible Debentures (NCD's) of Arya Capital Management Private Limited (ACMPL). Acuite has also withdrawn its rating on Rs.30.00 Proposed Non-Convertible Debentures (NCD's) on account of the request received from the company.

The rating reaffirmation is in view of continued delays in servicing of debt repayment obligation.

About the Company

ACMPL was incorporated in 2007 and is promoted by Dhawan Trust and Mr.Arjun Dhawan is the Trustee of the Trust. ACMPL is member of promoter group company of Hindustan Construction Company (HCC). Mr. Arjun Dhawan is an Executive Vice chairman of HCC Ltd. HCC did a rights issue of equity shares primarily for funding the working capital requirements of HCC. The proceeds of the NCDs issued were deployed for subscribing to the said rights issue of HCC.

Analytical Approach

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

Key Rating Drivers

Strengths

Experienced management

ACMPL is promoted by Dhawan Trust. Mr. Dhawan is the Trustee of the Dhawan Trust which holds 99.99 per cent stake in the ACMPL and is an Executive Vice Chairman of HCC Ltd. ACMPL is member of promoter Group Company of HCC. HCC is one of the large construction companies in India and is engaged in construction activities which include roads, bridges, ports, power stations, water supply and irrigation projects. The company's construction capabilities include solutions for construction of projects in various complex industries including hydel power, water solution systems, nuclear power and process plants and transportation.

Weaknesses

Delays in servicing of debt obligations

ACMPL on December 13, 2018, had issued 2700 7% secured rated listed redeemable non-convertible debentures (-NCDs) at issue price of Rs. 10 lacs each. A fixed interest coupon at 7 percent per annual was payable on quarterly basis starting December 2019 on the NCDs. However, since 2019, the company has defaulted in the servicing the coupon payments. The company is currently under discussion to settle the outstanding dues, however, as on date the default continues on the NCDs.

Rating Sensitivities

- Timely repayment of outstanding dues as per the conditions of the "Settlement Agreement".

All Covenants

Not Applicable

Liquidity Position

Poor

ACMPL's liquidity is poor on account of continuous default in repayment obligations.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	384.20	3.00
PAT	Rs. Cr.	92.74	(48.54)
PAT Margin	(%)	24.14	(1618.09)
Total Debt/Tangible Net Worth	Times	(0.08)	(4.01)
PBDIT/Interest	Times	3.40	0.30

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

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuité'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
16 Nov 2022	Non Convertible Debentures	Long Term	300.00	ACUITE D (Issuer not co-operating*)
22 Nov 2021	Non Convertible Debentures	Long Term	300.00	ACUITE D (Issuer not co-operating*)
19 Nov 2020	Non Convertible Debentures	Long Term	300.00	ACUITE D (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE02C607011	Non-Convertible Debentures (NCD)	13 Dec 2018	7.00	12 Jun 2023	Simple	270.00	ACUITE D Reaffirmed
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	Not Applicable Withdrawn

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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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