



Press Release

Anuradha Holdings Private Limited

Feb 22, 2023

Ratings

| Instrument Facility | Amount (Rs. Crore) | Ratings | Rating Action | Complexity Indicator |
|--------------------------------------|---|--|------------------|--|
| Long term Bank Facilities – (LRD) | 116.60 | IVR BBB- with stable Outlook (IVR Triple B Minus With Stable Outlook) | Assigned | Simple |
| Total | 116.60 (Rupees One Hundred Sixteen Crores & Sixty Lakhs only) | | | |

Details of Facilities are in Annexure 1

Detailed Rationale

- The assignment of ratings to the bank facilities of Anuradha Holdings Private Limited continues to take into account experienced promoters and management team, leave & license Agreement with the client, strategic location of the property, reputed tenant, comfortable debt matrices & healthy occupancy level and escrow mechanism & DSRA support. The rating however is constrained by client concentration risk & non-renewal risk from tenant and susceptibility to cyclicalities inherent in the Real Estate sector.

Key Rating Sensitivities:

Upward Factors

- Renewal of upcoming expiring lease at higher than present rates along with more favorable terms leading to generation of more than expected cash surplus will lead to rating upgrade.

Downward Factors

- Vacating any portion by the company and/or external factor leading to sustained delay in receiving rental income which affects the cash flows as projected will lead to a rating downgrade.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the management and healthy relationships with customers:**

Mr. Vikram Viswanath is the key promoter of the Company. The business of the company is Leasing of Commercial facilities since 2007. AHPL has made investment of about Rs 130 Crores in a state of art R&D Centre spread over two floors of Universal Majestic Building at Mumbai having 83,700 square feet area. Centre is leased out to L'Oréal India Pvt Ltd, the leading innovative international company in the business of beauty by providing cosmetic products for the men and women. This facility provide annual revenues of Rs 13 Crores to the Company.

- **Presence of Escrow Mechanism with DSRA:**

AHPL is required to maintain an escrow payment mechanism, wherein the designated lease payments are deposited by the tenants in the escrow account and the bank has the first charge on the lease rentals. Any surplus after the cash flow waterfall mechanism specified in the escrow account would be available for AHPL. The company is also required to maintain a DSRA equivalent to one quarter of interest and principal amount. The existence of a DSRA provides a cushion against liquidity mismatches in the short term.

- **Strategic location coupled with healthy occupancy**

The commercial property is located at strategic location in Mumbai. All the leasable area has been leased out, and there has been full occupancy mainly driven by the locational advantage. The company is protected partially against vacancy risk because of the long-term nature of the contracts and reputed clientele.



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- **Renowned Lessee minimizing counter party risk**

The company has a lessee of international repute, for the property under consideration. The long term lease arrangement with the company along with satisfactory track record of payment of rents, provides revenue visibility.

Key Rating Weaknesses

- **Customer concentration risk**

AHPL has wholly leased out its property only to one lessee. However, this risk gets mitigated since L'Oreal India is a subsidiary of L'Oreal France a multinational company. It is a very sound company. The company has been lessee of the premises since 2011 and has never defaulted in lease payments & L'Oreal has set up their Research & Development Centre at the space leased to them.

- **Exposure to Intense Competition:**

AHPL is exposed to intense competition from various players operating in the surrounding areas. This could exert pressure on the rentals and occupancy rates. Any adverse movement in the rental yield will remain a key rating sensitivity.

Analytical Approach: Standalone

Applicable Criteria :

[Rating Methodologies for Real Estate Entities](#)
[Financial Ratios & Interpretation Non- Financial Sector](#)
[Criteria for assigning rating outlook](#)

Liquidity – Adequate

The liquidity profile is expected to be supported by healthy cash flow generation from rentals generated from the 100% occupied leased area, which are expected to provide adequate surplus cash flow over the repayment obligations for the tenure of the debt. In addition to the rental



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income the company also generates consultancy incomes which provides a cushion to the liquidity position. Presence of a DSRA equivalent to one quarter of interest and principal payment and an escrow structure associated with both present and proposed LRDs provides additional comfort.

About the Company

Anuradha Holdings Private Limited was floated with the main aim of holding, monitoring and management of investments and assets of Mr. Vikram Viswanath and his family. As the Company promoters have been in the logistics business for long, the company has among other objects, the object of providing management and consultancy services, joint development and project management in the domain of Logistics and Infrastructure. The main promoter of the Company is Mr. Vikram Viswanath who holds around 99.9% of the shares. The Company is a professionally managed and has technical people at the core of its team.

Financials (Standalone):

| | (Rs. crore) | |
|----------------------------------|--------------------|-------------------|
| For the year ended* As on | 31-03-2021 | 31-03-2022 |
| | Audited | Audited |
| Total Operating Income | 12.72 | 19.83 |
| EBITDA | 0.46 | 7.19 |
| PAT | -7.71 | -0.35 |
| Total Debt | 126.59 | 148.68 |
| Tangible Net worth* | 82.31 | 58.60 |
| EBITDA Margin (%) | 3.62% | 36.26% |
| PAT Margin (%) | -50.06% | -1.60% |
| Overall Gearing Ratio (x) | 1.54x | 2.54x |

**as per Infomerics standards*

Status of non-cooperation with previous CRA : Nil

Any other information: Nil

Rating History for last three years:



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| Sl. No. | Name of Instrument / Facilities | Current Rating (Year 2022-23) | | | Rating History for the past 3 years | | |
|---------|---------------------------------|-------------------------------|--------------------------------|---|---|---|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 | Date(s) & Rating(s) assigned in 2019-20 |
| 1. | Term Loan - LRD | Long Term | 116.60 | IVR BBB- with stable Outlook (IVR Triple B Minus With Stable Outlook) | - | - | - |

Name and Contact Details of the Rating Analyst:

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|--|---|
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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

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security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|---------------------------------|------------------|------------------|---------------|------------------------------|---|
| Long term Bank Facilities – LRD | - | - | - | 116.60 | IVR BBB- with stable Outlook (IVR Triple B Minus With Stable Outlook) |

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-AnuradhaHoldings-feb23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com