



Rating Rationale

Anjana Retail Infra Pvt Ltd (ARIPL)

25 Jun 2018

Brickwork Ratings reaffirms rating for the Bank Loan facilities of Rs. 106.00 Crs by Anjana Retail Infra Pvt Ltd (ARIPL).

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Term Loan	106.00	Long Term	BWR BBB (SO) (Pronounced as BWR Triple B) (Structured Obligation) Outlook: Stable
Total	Rs. 106.00 Crores (Rupees One Hundred and Six Crores Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The ratings, inter alia, factor the cash flows coming from an executed long term master lease agreement between ARIPL and its reputed client Future Lifestyle Fashion Limited (FLFL) and Future Retail Limited (FRL), escrow of the lease rent receivables from both the companies by way of a tripartite agreement between the lesser, lessee and the bank, undertaking by lessee for the performance of the unconditional & irrevocable master lease agreement to pay agreed lease rentals, The rating, however, is constrained by client and revenue stream concentration risk, moderate debt service coverage indicator, and ARIPL's lack of past track record.

Structured Obligation (SO): The rating is credit enhanced by the structured payment mechanism for timely of interest and instalment/principal.

FLFL's unconditional & irrevocable corporate guarantee for the performance of the operating lease agreement (i.e. payment of the stipulated lease rentals) until the facility is repaid in full.

In case of a default by ARIPL, FLFL will step into the shoes of the Lessor

25 Jun 2018



Rating Outlook: Stable

BWR believes the **Anjana Retail Infra Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Negative' if there is significant weakening of Future Lifestyle Fashion Limited (FLFL) credit profile.

About the Company

Anjana Retail Infra Private Ltd (ARIPL) was incorporated on 18th August 2014 with an objective to focus on the business of Operating Lease. The company has a contract with 'Future Retail Limited (FRL)' and 'Future Lifestyle Fashions Ltd' to supply its assets to FRL/FLFL on long term operating lease basis.

ARIPL has a term loan which is for the purpose of acquiring fixed assets (machinery, furniture & fixtures, electrical installations and equipments, computer and IT equipments, etc.) to lease them out to Future Lifestyle Fashion Limited (FLFL) stores across India. Future Lifestyle Fashion Limited (FLFL) is a flagship company of Future Group.

Company Financial Performance

Key Financial Parameters	FY16 (Audited)	FY17 (Audited)
Total Operating Income (Rs Cr)	36.09	72.19
PAT (Rs Cr)	0.22	0.53
Tangible Net worth (Rs Cr)	32.37	32.9
Total Debt (Rs Cr)	157.70	142.18

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Term Loan	Long Term	106.00	BWR BBB (SO) Outlook: Stable reaffirmed	BWR BBB (SO) Outlook: Stable	N/A	N/A
Total			106.00	(INR One Hundred & Six Crores Only)			



Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.