



Rating Rationale

Ansal Buildwell Limited

09 April 2021

Brickwork Ratings reaffirmed the ratings for the Bank Loan Facilities of ₹. 41.96 Crs. of Ansal Buildwell Limited

Particulars

Facility	Previous Amount (₹ Crs)	Present Amount (₹ Crs)	Tenure	Previous Rating (01 June 2020)	Rating*
Fund based (OD/TL)	13.50	37.96	Long Term	BWR D	BWR D Reaffirmed
Non Fund Based (BG)	4.00	4.00	Short Term		
Total	17.50	41.96	INR Forty One Crores and Ninety Six Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Reaffirmed

Brickwork Ratings (BWR) has reaffirmed the rating of BWR D for the bank loan facilities of Ansal Buildwell limited (ABL).

The rating reflects stretched liquidity and ongoing delay in debt servicing in the last twelve months for term loans.

Description of Key Rating Drivers:

BWR has principally relied on audited financials upto FY20, projections for FY21 and FY22 and information/clarifications provided by the management.

Credit Strengths

- **Experienced management:** ABL's promoters have experience of around four decades in the real estate business. Mr. Gopal Ansal heads the organization as chairman cum managing director of the company. He is a qualified Engineer having extensive experience of over 30 years in real estate promotion, development and execution of large hi-tech engineering projects on turnkey basis.

Credit Weaknesses

- **Moderate scale of operations:** During FY20, ABL reported improved total operating income of 58.35 Crs as against Rs 43.96 Crs during FY19 but scale has been at moderate level. Further, As per 9MFY21 results, the ABL has achieved sales of Rs 37.17 Crs as against Rs 50.50 Crs during the previous corresponding period.



- **Weak debt protection metrics:** During FY20, ABL has reported weak debt protection metrics such as interest service coverage ratio of 1.18x (FY19: 0.19x) and DSCR of 0.70x (FY19: 0.18x).

Liquidity Position: Poor

During FY20, ABL generated cash accruals of Rs 4.47 Crs as fixed repayments of Rs 10.85 Crs which was not sufficient to repay the debt obligations. Further as per BWR estimation cash accruals also expected to be stretched during FY21. During FY20, DSCR of 0.70x and elongated number of days inventory of 2008 Days further suggest the stretched liquidity.

Rating Sensitivities

Positive: BWR may revise the ratings upward in the case there is regular debt servicing in all the loan accounts for regular three months.

Analytical Approach

BWR has factored in the standalone business parameters and financial risk profile of the company to arrive at the rating. BWR has applied its rating methodology as detailed in the rating criteria detailed below (hyperlinks provided at the end of this rationale).

About the Company

M/s. Ansal Buildwell Ltd. is a Limited Company registered with Registrar of Companies Delhi & Haryana. It is also listed on BSE Stock Exchange. The Registered Office of the company is situated at 118, UFF, Prakash Deep Building, 7, Tolstoy Marg, New Delhi – 110 001. Ansal Buildwell Ltd. is primarily engaged in the business of real estate development, construction and promotion of Residential/ Commercial Complexes and Townships. At present the company is executing many projects at various parts of India, the major Projects among them being at Gurgaon, Cochin (Kochi), Amritsar, Jaipur, Faridabad, Gwalior, Pathankot and Jhansi, etc.

Company's Financial Performance Standalone

Key Parameters	Units	FY19	FY20
Result Type		Audited	Audited.
Total Operating Income	Rs.Crs	43.96	58.84
OPBDIT	Rs.Crs	2.25	11.05
PAT	Rs.Crs	-8.37	0.82
Tangible Net Worth	Rs.Crs	91.78	92.44
Debt to Equity	Times	0.81	0.64
Current Ratio	Times	1.41	1.45

ISCR	Times	0.19	1.18
DSCR	Times	0.18	0.70

Rating History for the last three years (Including Withdrawn/Suspended)

S. No	Name of Instrument	Current Rating (2021)			2020	30.12.2019	30.08.2018
		Tenure	Amount (Rs. Crs)	Rating			
					Rs. in crs.		
1	Bank Loan Facility	FB LT	37.96	BWR D	-	BWR D	BWR BB-Stable
		NFB ST	4.00				BWR A4
Total			41.96	INR Forty one crores and ninety six lakhs only			

Status of non-cooperation with previous CRA: NA

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Companies](#)
- [Short Term Debt](#)

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ANNEXURE I

Details of Bank Facilities rated by BWR

Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
Overdraft	13.50	-	13.50
Dropline OD	17.55	-	17.55*
ODP	5.00		5.00
Term Loan	1.91	-	1.91
Bank Guarantee	4.00		4.00
TOTAL			41.96

***O/s as on 28.02.2021**

INR Forty One Crores and Ninety Six Lakhs Only

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