

Anant Raj Ltd — 14 Jan 2026 Credit Rating Summary

Section	Details
Agency	Infomerics Ratings (IVR)
Rating Change	IVR BBB → IVR A- (Upgraded by 2 notches)
Outlook (Current vs Previous)	Stable vs Stable
Key Drivers of Change	<ol style="list-style-type: none"> Revenue Growth: TOI increased 38.88% to ₹2,059.97 Cr (FY25) vs ₹1,483.30 Cr (FY24) driven by higher sales and rentals. Profitability Expansion: EBITDA margin rose to 23.87% (+136 bps) and PAT margin to 20.27% (+279 bps) due to better overhead absorption. Aggressive Deleveraging: Total Debt reduced to ₹481.60 Cr (FY25) from ₹626.74 Cr (FY24) through prepayments. Debt Metrics: Interest coverage surged to 44.75x (FY25) from 9.65x (FY24); Overall Gearing improved to 0.12x. New Vertical: Diversification into Data Centers (28 MW capacity) provides scalable, long-term revenue visibility.
Rated Instruments	<ul style="list-style-type: none"> • Term Loan: ₹257.00 Cr (IVR A-/Stable) • Bank Guarantee: ₹50.00 Cr (IVR A2+) • Drop Line OD: ₹29.00 Cr (IVR A2+) • Cash Credit: ₹15.00 Cr (IVR A-/Stable)
Key Observations	<ul style="list-style-type: none"> • Asset Mix: Balanced portfolio of residential, leased commercial, hospitality, and tech-infra (Data Centers). • Liquidity: "Strong"; bolstered by QIB fund infusion and customer advances, reducing debt reliance. • Land Bank: Fully paid land bank of ~330 acres provides a massive valuation cushion. • Geographic Risk: High concentration in Delhi-NCR, Haryana, and Rajasthan markets. • Execution Risk: Real estate projects face inventory holding pressure and potential regulatory delays. • Operational Efficiency: Total Debt to EBITDA improved significantly to 0.98x (FY25) from 1.88x (FY24).
Investor Impact	<ul style="list-style-type: none"> • Growth: Strategic pivot to Data Centers re-rates the stock from a "builder" to "infra-tech" play. • Margins: Higher-margin rental and data center income (PAT 20%+) improves quality of earnings. • Dilution Risk: Low; strong internal accruals and QIB funding have already de-risked the balance sheet. • Leverage: At 0.12x gearing, the company has massive headroom for future capex without stressing the P&L.
Agency / Cross Analysis	<p>Same Agency: Significant shift in approach from "Standalone" to "Consolidated" to reflect full operational linkages. The upgrade reflects a fundamental strengthening of the balance sheet (Debt/Equity improved from 0.19x to 0.12x) and a massive spike in debt servicing ability (Coverage 44x vs 9x).</p> <p>Conclusion: Significant Improvement. The rating catch-up reflects the successful execution of the debt-reduction and diversification strategy.</p>
Final Inference	<p>Real improvement. The 2-notch upgrade is backed by high-quality deleveraging and a transition toward recurring rental/data center income. The credit profile is now robust enough to support aggressive expansion without immediate equity dilution or solvency risk.</p>