

Anant Raj Ltd — 05 May 2026 Credit Rating Summary

Section	Details
Agency	Infomerics Ratings
Rating Change	Reaffirmed at A- / A2+ ; moved from Stable to Watch with Developing Implications (RWDI)
Outlook (Current vs Previous)	RWDI (Current) vs Stable (Previous)
Key Drivers of Change	<ol style="list-style-type: none"> Revenue Growth: TOI surged 38.8% to ₹2,059.97 Cr (FY25) driven by real estate sales and data center income. Aggressive Deleveraging: Total Debt reduced to ₹481.60 Cr (FY25) from ₹626.74 Cr; Gearing improved to a robust 0.12x. Margin Expansion: EBITDA margins rose 136 bps to 23.87%; PAT margins jumped to 20.27% due to lower interest costs. Operational Watch: Reaffirmation offset by Enforcement Directorate (ED) search, creating regulatory uncertainty.
Rated Instruments	<p>Total: ₹351.00 Cr</p> <ul style="list-style-type: none"> Term Loan: ₹257.00 Cr [IVR A- / RWDI] Bank Guarantee: ₹50.00 Cr [IVR A2+ / RWDI] Dropline OD: ₹29.00 Cr [IVR A2+ / RWDI] Cash Credit: ₹15.00 Cr [IVR A- / RWDI]
Key Observations	<ul style="list-style-type: none"> Exceptional Debt Coverage: Interest coverage ratio at 44.75x (up from 9.65x) and DSCR at 2.82x. Business Pivot: Transformation into a Data Center player (28 MW operational) provides stable recurring revenue. Liquidity Strength: Supported by QIB fundraise and positive CFO of ₹100.05 Cr in FY25. Asset Base: Large, fully paid land bank of ~330 acres reduces future capital outflow risks. Risk - Concentration: Geographic reliance on NCR/Haryana market for residential sales. Risk - Regulatory: The ED probe is the primary overhang on an otherwise stellar credit profile.
Investor Impact	<ul style="list-style-type: none"> Growth: High; Data center scalability and residential demand in NCR offer strong tailwinds. Margins: Expanding; 9MFY26 EBITDA margin further improved to 26.18%. Leverage: Near-zero risk; net worth of ₹3,867 Cr dwarfs debt, minimizing insolvency/dilution risk. Sentiment: Negative/Neutral; Financial outperformance is currently capped by the "RWDI" status until legal clarity emerges.
Agency / Cross Analysis	<p>Same Agency: Rating trajectory has been consistently upward (BBB- in 2023 → A- in 2025). The latest review reaffirms the financial strength (Revenue ↑39%, Debt ↓23%) but highlights a tactical shift in outlook due to non-financial "event risk" (ED Search).</p> <p>Conclusion: Improvement in fundamentals shadowed by Regulatory Risk.</p>
Final Inference	ARL is a " Fortress Balance Sheet " story with 0.12x gearing and massive interest cover. While operations are firing on all cylinders (Real Estate + Data Centers), the ED probe introduces a governance risk signal that investors must monitor for potential impact on management or cash access.