

Rating Rationale

Ambience Private Limited

April 13, 2017

Brickwork Ratings reaffirms ratings for the Bank Loan Facilities amounting to Rs. 1793.96 Crores of Ambience Private Limited enhanced from Rs. 1312.29 Crores

Particulars:

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based	1183.99	1686.79	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable (Reaffirmation)
Non-Fund Based	128.30	107.17			
Total	1312.29	1793.96	INR 1793.96 Crores (INR One Thousand Seven Hundred Ninety Three Crores and Ninety Six Lakhs Only)		

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

Rationale/Description of Key Rating Drivers/Rating Sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projected financials up to FY20, projects related information of Ambience Pvt Ltd (APL), publicly available information and information/clarifications provided by the company.

The rating continues to factor positively the experienced & resourceful promoters, established track record of the group in the real estate sector, availability of required approvals for the ongoing projects and significant amount of funds infused by the promoters in the ongoing projects.

The ratings, however, continue to remain constrained on account of project off-take risk as marketing of Ambience City is not launched yet and only 20% of the total apartments have been sold in Ambience Tiverton, delays in the project execution, high interest & finance cost impacting the overall profitability, significant repayment obligations falling due in the next three years and inherent risks associated with the real estate sector.

Going forward the ability of the company to complete the projects within the estimated costs & revised timelines, ensure healthy booking status in both the projects, achieve projected revenue & profitability indicators and ensure timely debt servicing shall remain key rating sensitivities.

Rating Outlook: Stable

BWR believes that Ambience Pvt Ltd's 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 'Positive' in case the company is able to achieve significant progress in the construction & sales of the ongoing projects. The rating outlook may be revised to 'Negative' if the progress in the projects both in terms of construction and sales is not satisfactory.

About the Company:

Ambience Private Limited (APL) is a real estate development company incorporated in 1986 at New Delhi and is the flagship company of Ambience Group. APL has a diversified portfolio of completed, ongoing and planned real estate development projects, which include integrated townships, residential projects, including premium and luxury residential apartment complexes, commercial projects, including corporate office towers and retail projects.

The Company, currently, has two ongoing projects – Ambience Tiverton, Noida and Ambience City, Panipat. All the required approvals for the ongoing projects are in place. Sales have not started in Ambience City and 20% of the total apartments have been sold in Ambience Tiverton.

Company's Financial Performance:

APL reported an Operating Income of Rs. 665.36 Crs in FY16 as compared to Rs. 689.47 Crs in FY15 and PAT of Rs. 21.32 Crs in FY16 as compared to Rs. 24.40 Crs in FY15.

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

Sl. No.	Facility	Current Rating (April 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	October 2015	March 2014
Fund Based							
1.	Term Loan	Long Term	1579.00	BWR BB-	-	BWR BB-	BWR B+
2.	Working Capital		107.79				
Non-Fund Based							
1.	Bank Guarantee	Long Term	107.17	BWR BB-	-	BWR BB-	BWR B+

Hyperlink/Reference to Applicable Criteria:

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

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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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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.