



Rating Rationale

Ambience Developers & Infrastructure Pvt Ltd

20 Feb, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Ambience Developers & Infrastructure Pvt Ltd

Particulars:

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based	1396.75	Long Term	BWR BBB (Pronounced BWR Triple B) Outlook: Stable
Non-Fund Based	50.00	Short Term	BWR A3+ (Pronounced BWR A Three Plus)
Total	1446.75	INR 1446.75 Crores (INR One Thousand Four Hundred Forty Six Crores and Seventy Five 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, and projected financials up to FY18 of Ambience Developers & Infrastructure Pvt Ltd (ADIPL), publicly available information and information/clarifications provided by the company.

The rating factors positively the experienced & resourceful promoters, established track record of the group in the real estate sector, operational track record of the mall & its brand value, significant reduction in the interest & repayment obligation post takeover of credit facilities by IDBI Bank, escrow of lease rentals & cash flows from parking, kiosks/signage with a waterfall mechanism and expected improvement in cash generation in the coming years on account of better occupancy & revision in rental charges of the existing tenants. The ratings, however, continue to remain constrained by relatively high gearing levels, significant intragroup transactions and inherent risks associated with the sector.

Going forward the ability of the company to achieve the projected growth in the revenue & profitability indicators and ensure timely debt servicing shall remain key rating sensitivities.

Rating Outlook: Stable

BWR believes that Ambience Developers & Infrastructure 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 revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company:

Incorporated in 1991 at New Delhi, Ambience Developers and Infrastructure Private Limited (ADIPL) is a part of the Ambience group. ADIPL owns and operates the 'Ambience Mall' located at Ambience Island on NH 8 Delhi-Haryana border in Gurgaon. The mall is a part of the Ambience group's township project, Ambience Island, which houses a five star deluxe hotel, two office towers and two premium residential apartments' complexes. The construction and development of the mall commenced in Feb 2004 and completed in March 2007. Thereafter the lessees occupied during Aug/Sep 2007.

The total Leasable Super Area in the Mall is 16.75 Lakhs Sq. Ft of which 13.12 Lakhs Sq. Ft is currently leased. There are approx. 230 lessees in the mall.

Company's Financial Performance:

ADIPL reported an Operating Income of Rs. 208.95 Crs in FY16 as compared to Rs. 215.96 Crs in FY15 and PAT of Rs. 22.20 Crs in FY16 as compared to Rs. 18.14 Crs in FY15.

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

Sl. No.	Facility	Current Rating (Feb 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	November 2016	September 2015	May 2014
Fund Based							
1.	Term Loan	Long Term	1396.75	BWR BBB (Stable)	Rating Withdrawn	BWR B (Stable)	BWR B- (Stable)
Non-Fund Based							
1.	Bank Guarantee	Short Term	50.00	BWR A3+	Rating Withdrawn	BWR A4	BWR A4

Hyperlink/Reference to Applicable Criteria:

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

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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

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