



## Rating Rationale

Ambience Facilities Management Pvt Ltd

15 Mar, 2017

### Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Ambience Facilities Management Pvt. Ltd

#### Particulars:

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based: OD	15.00	15.00	Long Term	BWR BB+ (Pronounced BWR Double B Plus) Outlook: Stable	BWR BB+ (Pronounced BWR Double B Plus) Outlook: Stable
Fund Based: TL	43.00	43.00		BWR BBB- (SO) [Pronounced BWR Triple B Minus (Structured Obligation)] Outlook: Stable	BWR BBB- (SO) [Pronounced BWR Triple B Minus (Structured Obligation)] Outlook: Stable
<b>Total</b>	<b>58.00</b>	<b>58.00</b>	<b>INR Fifty Eight Crores (INR Fifty Eight Crores Only)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

#### Rationale/Description of Key Rating Drivers/Rating Sensitivities:

BWR has relied upon the audited financial statements up to FY16, projected financial statements up to FY18, publicly available information and information/clarifications provided by the Company management.

The ratings continue to draw comfort from the experience of the Company in managing the Real Estate complexes, support extended by Ambience Group Companies, good product mix of Commercial & Residential facilities being managed by the company, increase in the area managed by the company leading to higher revenue and infusion of funds by the promoters (equity & unsecured loans) during FY15 and FY16. The 'SO' rating for the Term loan reflects the credit enhancement derived from the escrow account and DSRA maintained by the Company.

The rating is, however, constrained due to fall in profitability levels in FY16, high gearing, increasing level of receivables and dependence on Ambience Group projects.

Going forward the ability of the Company to achieve the projected levels of revenue & profitability, effectively manage its working capital requirements and meet its term loan obligations on time shall remain key rating sensitivities.



**Rating Outlook: Stable**

BWR believes that Ambience Facilities Management 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:**

Ambience Facilities Management Private Limited (AFMPL) was incorporated on 14th September 2010. The Company is engaged in providing Integrated Facility Management Services to various completed projects of Ambience Group. The properties currently managed by the Company include Ambience Mall in Gurgaon (Haryana), Ambience Mall in Vasant Kunj (New Delhi), Hotel Leela Ambience in Gurgaon (Haryana), Catriona Apartments in Gurgaon (Haryana), Ambience Corporate Office Tower II in Gurgaon (Haryana), Commercial Complex in Rohini (New Delhi), Commercial Complex in Shalimar Bagh (New Delhi) and Commercial Complex in Vasant Kunj (New Delhi).

**Company’s Financial Performance:**

AFMPL revenue remained flat at ~ Rs. 114 Crs in FY15 and FY16. PAT, however, declined from Rs. 0.97 Crs in FY15 to Rs. 0.79 Crs in FY16.

**Rating History for the last three years:**

Sl. No.	Facility	Current Rating (March 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	Feb 2016	July 2015	Feb 2015
1.	OD Limit	Long Term	15.00	BWR BB+	BWR BB+	BWR BB+	BWR BB-
2.	Term Loan		43.00	BWR BBB-(SO)	BWR BBB-(SO)	Provisional BWR BBB-(SO)	NA

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Structured Obligation Instruments](#)
- [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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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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