

Rating Rationale

Brickwork Ratings assigns 'BWR BB' for the Bank Loan Facilities aggregating ₹ 45 Cr of Amrapali Eden Park Developers Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for Bank Loan Facilities of Amrapali Eden Park Developers Pvt Ltd (*the 'Company'*).

Facility	Tenure	Amount (₹ Cr)	Rating
Term Loan	Long Term	45.00	BWR BB (BWR Double B) (Outlook: Stable)
Total		45.00 (INR Forty Five Crores only)	

BWR has principally relied upon the audited financial results up to FY13, projected financials of FY 14 to FY 17 of Amrapali Eden Park Developers Pvt Ltd, publicly available information and information/clarification provided by the Company's management.

The rating has factored, inter alia, the promoter's experience in construction business, timely completion of the previous projects, infusion of capital by the promoters and the Company's ability to sell its inventory on time. However the rating is constrained by the moderately high leverage position of the Company and uncertain cash flows as the project is still under development.

Background

Amrapali Eden Park Developers Pvt. Ltd. a private limited company, was established on 12th February, 2009 with the objective to carry on, inter alia, the business of owner builders, developers, colonizers, promoters of residential, commercial and industrial buildings, cinema houses and to deal in all kinds of immovable properties. The Company has been promoted by M/S Ultra Home Construction Private Limited, an Amrapali Group company and by M/S Nirala Developers Pvt. Ltd, (Nirala Group Company).

Amrapali Group has already completed many project of this kind and Nirala group has also completed a few projects of this nature. Both the groups have experience of delivering this type of project in the past. The promoters of the both the group have necessary entrepreneurship skill, professional competency and experience in the relevant field.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance

Since the revenue from operations is yet to be recognized the analysis is done based on the provisional financials. The networth of the Company for FY14 stood at Rs. 31.74 Cr as on 15/01/2014 as per the CA certificated provided by the Company.

Rating Outlook

The ability of the Company to complete the project on time and sell of its inventory at the expected profitability margin and maintain its leverage position by infusion of equity with the increase in debt position remains the key sensitivities.

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